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General

Qian Qichen Lauds UN Statement on DPRK Nuclear Plans

OW0304020994 Tokyo KYODO in English 0147 GMT 3 Apr 94

[Text] Beijing, April 3 KYODO—Chinese Foreign Minister Qian Qichen on Saturday [2 April] lauded a mildly worded UN Security Council statement on the North Korean nuclear standoff, saying it helped to ease tension on the Korean peninsula.

"The adoption of a presidential statement focusing on dialogue has helped to ease tension and gives the countries and organizations concerned some time leeway," Qian told a delegation of Japan's Social Democratic Party (SDP). The SDP is the largest group in Japan's seven-party coalition.

After one week of diplomatic bargaining with China, which firmly opposed the adoption of any resolution against its longtime ally North Korea, the 15-member Security Council on Thursday issued a nonbinding presidential statement urging Pyongyang to allow the completion of international inspections of its nuclear facilities.

The statement did not include a threat of sanctions should North Korea continue to refuse the inspections, but said "further Security Council consideration will take place if necessary in order to achieve full implementation" of nuclear safeguards Pyongyang signed with the International Atomic Energy Agency (IAEA).

Noting that the statement has nonbinding character, Qian said, however, he hopes "that it can be avoided that such a situation occurs."

He suggested that the IAEA explain to Pyongyang why inspections carried out over two weeks in March are considered inadequate to decide whether Pyongyang has diverted nuclear material for weapon purposes.

Pyongyang, while maintaining that its nuclear program serves strictly civilian purposes, contends it fully complied with the IAEA inspection demands.

The SDP delegation headed by Issei Inoue arrived on Friday for talks with Chinese leaders and representatives of the Chinese Communist Party (CCP).

In a meeting with Li Shuzheng, head of the International Liaison Department of the party's Central Committee, on Friday both sides agreed to dispatch another SDP delegation to China in mid-May to mark the 10th anniversary of relations between their parties, SDP officials said.

Australian FM: PRC Thinks DPRK Has No Nuclear Capability

LD0204093794 Melbourne Radio Australia in English 0800 GMT 2 Apr 94

[Text] Australia's foreign minister, Gareth Evans, says he believes that China does not think North Korea has developed the capability to build nuclear weapons. Speaking in Beijing after meetings with senior Chinese officials, Senator Evans said China was very conscious of the stakes involved and very conscious of its own interests in keeping nuclear weapons off the Korean peninsula. He said Chinese ministers and leaders had a relatively relaxed attitude to the issue, leading him to think that the Chinese did not believe Pyongyang had yet made formidable developments. However, Senator Evans said he believed North Korea was certainly far enough advanced to justify thorough international inspections. Australia's foreign minister said there was great optimism on the Chinese part the dialogue would be successful in resolving the Korean crisis.

Further on Evans Remarks

LD0204101394 Melbourne Radio Australia in English 0900 GMT 2 Apr 94

[Text] Australia's foreign minister, Gareth Evans, says that after his talks with senior Chinese leaders in Beijing he believes there's reason for optimism that China would not block any move to impose sanctions on North Korea. While Senator Evans says this week's United Nations Security Council statement urging North Korea to accept international inspections has taken some of the heat out of the issue, sanctions still cannot be ruled out. From Beijing (?Ally Moore) reports:

[Begin recording] [?(Moore)] In meetings with China's Premier Li Peng and Foreign Minister Qian Qichen, Gareth Evans says he wasn't given any indication China plans to step up its efforts to influence North Korea, but he believes China is working to resolve the dispute and is very conscious of the stakes involved.

[Evans] My own instinct at the end of the day is that if these dialogue processes were to break down and the next move were clearly to be sanctions, that there is every reason for some degree of optimism that that course would not be blocked by China. [end recording]

Trade Official Warns Against Rejection of GATT Bid

HK0304065694 Hong Kong AFP in English 0619 GMT 3 April 94

[Text] Beijing, April 3 (AFP)—China will only go so far to ensure its re-entry into GATT and will revive import controls should its bid to rejoin the world body be rejected, a senior foreign trade ministry official was quoted as warning Sunday [3 April]. "The bottom line is equal treatment," said the foreign trade ministry's deputy director for international relations, Li Longzhou,

who stressed that China was not so desperate that it would pay any price for GATT membership. Li also accused some of China's major trading partners—especially the United States—of using the GATT membership issue to extract unreasonable concessions from Beijing.

While admitting that a rejection of China's bid would hurt the country's trade expansion and slow the pace of reform, Li said steps could be taken to ensure China's global competitiveness if it were left outside GATT. "A passive return to import substitution (a measure to restrict imports) in parallel with continued investment incentives may actually encourage greater foreign investment (in China) because local production would then be favoured over imports," the CHINA DAILY BUSINESS WEEKLY quoted Li as saying. "The world trade community has a choice between accepting China as an equal trading partner by granting it GATT membership, or competing for access to the Chinese market on a reciprocal basis," he added.

Li also slammed the United States for making the renewal in June of China's most favoured nation (MFN) trading status conditional on progress in Beijing's human rights record. "China hopes to obtain unconditional MFN treatment equivalent to that accorded to all other contracting parties by participating in GATT," Li said, adding that by attaching human rights conditions to MFN, Washington was going against the spirit of the world trade body.

As a purely economic issue, China's re-entry to GATT "has been complicated by non-economic factors and the negotiation has been delayed for an unwarranted period," Li said. The United States was one of the few member states that did not support early Chinese re-entry to GATT at the 16th session of the GATT Working Party on China held in Geneva next month, Li noted. A founding member of GATT, China withdrew in 1949 after the communists came to power.

Li also criticised some trading partners for demanding China eliminate all non-tariff trade barriers "while they themselves maintain quantitative restrictions on thousands of items such as textiles and clothing, agricultural products, steel and footwear." In the case of increased protection against Chinese goods, "China will be forced to reduce imports in order to balance its foreign trade," Li stressed.

DPRK Rejects UN Security Council Statement

OW0404033394 Beijing XINHUA in English
0241 GMT 4 Apr 94

[**"DPRK Rejects UN Security Council's Statement"—XINHUA headline**]

[Text] Pyongyang, April 4 (XINHUA)—The government of the Democratic People's Republic of Korea (DPRK) today rejected the statement of the United Nations Security Council on nuclear inspection.

A Foreign Ministry spokesman of the DPRK today said that the DPRK's nuclear issue "is not at all an issue to be discussed by the Security Council," the official newspaper "NODONG SINMUN" reported.

The statement is a product of the U.S. policy of being hostile to the DPRK and strangling the country, he said, adding that the United States has "taken advantage of the UN Security council" to bring pressure to bear upon the DPRK.

In a statement issued in New York on March 31, President of the UN Security Council Jean-Bernard Merimee urged the DPRK to allow the International Atomic Energy Agency (IAEA) to complete its inspection of Pyongyang's nuclear facilities.

The spokesman said the statement has seriously violated the purposes and principles of the UN Charter because the Security Council discussed the DPRK's nuclear issue just after the IAEA had made "an improper and biased" conclusion of its inspection.

He stressed that since his country is now at the temporary stage of not pulling out of the Nuclear Nonproliferation Treaty, it is "totally unreasonable" for the DPRK to undergo an additional inspection.

He warned that if the United States continues to break its promises and bring pressure to bear upon the DPRK, the country will have to resume the "peaceful nuclear activities" which it had ceased unilaterally during the DPRK-U.S. talks.

The DPRK has been taking the stand of peacefully solving the nuclear issue and any pressure exerted on the country will surely end in failure, he said.

ROK, U.S. Fail To Decide on Military Exercise

OW0104231694 Beijing XINHUA in English
2250 GMT 1 Apr 94

[Text] Washington, April 1 (XINHUA)—South Korean Foreign Minister Han Sung-chu said here today that South Korea and the United States have not yet reached a decision on conducting an annual Team Spirit joint military exercise.

"We are continuing to discuss with the United States concerning the Team Spirit '94, and we have not yet reached a decision," Han told reporters at a press conference after meeting with U.S. Defense Secretary William Perry.

Han stressed that "we are prepared to deal with this issue through dialogue and by peaceful means."

The U.S. administration decided on March 19 to resume the joint military exercise with South Korean forces after the talks between South Korea and the Democratic People's Republic of Korea failed over the issue of nuclear inspections and the exchange of envoys.

"There is no final decision on when to have it," Han noted, "the question on Team Spirit is still be discussed between the two governments."

Han also said the UN Security Council president's statement yesterday "represents a big diplomatic step toward dealing with this North Korean nuclear issue."

Representative Urges UNSC To Reflect Members' Wishes

OW0104133894 Beijing XINHUA Domestic Service in Chinese 0757 GMT 30 Mar 94

[By reporter Li Jianxiong (2621 0256 7160)]

[Text] United Nations, 29 Mar (XINHUA)—Chen Jian, China's deputy permanent representative to the United Nations, said here today: The UN Security Council [UNSC] must bear responsibility to all member nations when performing its duties, and reflect the member nations' collective and common wishes.

Chen Jian made the statement at the UN General Assembly's [UNGA] working group meeting on "The Issue of Fair Distribution of UNSC Seats and Increase of the Number of Members." The working group is currently discussing issues concerning relations of the UNSC with the UNGA and the vast number of member nations, as well as ways for improving the UNSC's work.

Chen Jian said: The "UN Charter" stipulates that the UNSC is representing member nations in performing its duty of safeguarding international peace and security. This is the power entrusted by member nations to the UNSC as well as the UNSC's commitment to them.

He said: The objective to be reached during the working group's discussion on the UNSC's work should be one that urges the UNSC to faithfully implement the stipulations of the "UN Charter." He felt efforts should be put on these four aspects:

1. The UNSC must strictly abide by the aim and principle of the "UN Charter," particularly the principle of respecting state sovereignty, not interfering in domestic affairs, and solving international disputes with peaceful means.

2. Principal UN organizations such as the UNSC and UNGA should first perform their respective duties. Meanwhile, they should strengthen cooperation and coordination among themselves as well as properly handle relations between various organizations so as to jointly fulfill the aim of the Charter.

3. The UNSC should increase the transparency of its work, realistically strengthen contacts between the vast number of member nations, as well as further upgrade the authoritativeness of its decisions. The UNSC should listen widely to opinions from all sides, particularly opinions of concerned parties, countries, and organizations in regions to ensure that its decisions are solidly based.

4. The UNSC should improve its work methods and efficiency. While maintaining efficiency, it is essential for the UNSC to adopt realistic and feasible approaches to improve its work methods.

Chen Jian added: The Chinese delegation hopes the UNSC will, based on current discussions, absorb rational and useful suggestions forwarded by the vast number of member nations as well as further improve its work methods and style, so as to bring into play a more constructive and active role in safeguarding international peace and security.

NATO Expansion, 'Partnership for Peace' Viewed

HK0703050694 Beijing JIEFANGJUN BAO in Chinese 16 Feb 94 p 4

[By Wei Wei (7279 0251): "NATO Expansion and the 'Partnership for Peace' Program"]

[Text] Beginning this month, the North Atlantic Treaty Organization [NATO] dispatched delegations one after another to central and eastern European countries to explain the substance of its "partnership for peace" program so that those countries would sign the "framework document of partnership for peace" more quickly. By 8 February, six central and eastern European countries including Romania, Hungary, and Ukraine had signed the document with NATO, and thus the promotion of the "partnership for peace" program was quickly started.

The so-called "partnership for peace" program was initiated by the United States and adopted by the NATO summit meeting on 10 January, with a view to not letting central and eastern European countries join NATO immediately, so as to avoid irritating Russia, but allowing them to join in stages: First, by signing the "treaty of partnership for peace" with NATO, then strengthening military and political cooperation, and finally join the organization.

The issue of NATO expansion has been raised for many years. Nevertheless, as central and eastern European countries and Russia on the one hand, and NATO states on the other, have their own interests and calculations on the issue, NATO has found it difficult to pursue expansion.

Central and east European countries have an urgent demand to join NATO. Since the disintegration of the Warsaw Pact, led by the Soviet Union, in 1991, NATO has become the only military bloc in Europe. To seek a security guarantee, former Warsaw Pact states, such as Poland, Hungary, the Czech Republic, and Slovakia, asked for NATO membership one after another. Particularly in recent months, the rise of the Russian nationalist forces has caused worry that the development of the Moscow situation would pose a threat to them. Therefore, they became increasingly eager to join NATO. On 5 January, Polish President Lech Walesa openly accused Western countries of taking "a passive attitude" toward

the demands of such countries as Poland, Hungary, and the Czech Republic to join NATO and stressed that this would "cause the East to begin to pursue a policy that will not necessarily satisfy the West" and "cause a greater and greater threat to security in Europe."

One important reason NATO has not boldly entered the East is Russia's firm opposition. Russian President Boris Yeltsin maintained: NATO expansion to central and eastern European countries would make Russia "feel being isolated and surrounded." He warned that if countries bordering on Russia joined NATO it would lead to military and political instability. Russian Defense Minister Pavel Grachev more pointedly said: "The process of NATO expanding its membership poses a certain threat to Russia." He stated: If NATO expands its sphere of influence to areas near Russia's borders, Russia will need to reconsider its defense concepts, including reorganization and redeployment of its armed forces and changes in operations planning. The Russians contend: Eastern Europe's security must be "jointly safeguarded" by Russia and NATO.

In fact, NATO does not necessarily hope to immediately absorb the former Warsaw Pact member states for several reasons: First, the current social and political situation of Poland, Hungary, and the Czech Republic is not stable and national conflicts continue to emerge, and NATO is worried that if these countries become its members, its member states will surely be involved in state-to-state conflicts. Second, NATO is a collective organization rather than an organization providing aid to other countries. A NATO state will be given membership only after having assumed necessary economic responsibility. But at present, the central and eastern European countries which have asked to join NATO have not been able to rid themselves of their economic crises and are still unable to shoulder economic responsibility, and none of the 16 NATO member states is willing to pay the amount of money required for their poor brothers. Third, NATO is a military bloc. Eastern European countries are far, far behind NATO states in terms of military equipment, logistics, telecommunications, training, and command systems. According to specialists' estimates, it will take 10 years for central and eastern European countries to reach the NATO armed forces' levels. It can thus be seen that NATO is not well prepared for accepting those countries as new members, both militarily and financially.

The United States is taking a prudent attitude toward NATO expansion. One of the three pillars of U.S. foreign policy is expanding the camp of "democratic" countries. Adhering to this principle, naturally, it hopes that eastern European countries and the former Soviet republics will join NATO. However, it worries that this will give Russia a sense of isolation and irritate Russia's "ultra-Right forces." In order not to offend Russia, and at the same time, not disappoint the central and eastern European countries wishing to join NATO, the United States initiated a compromise "partnership for peace" program, which opens doors for the former Warsaw Pact

states to join NATO and at the same time, pointed out that NATO expansion "is a long process of gradual advance."

Of course, the "partnership for peace" program includes two obvious U.S. intentions, namely, continuing to control Europe while reducing its own defense responsibility on the continent. The developed countries of the world are mostly concentrated in Europe. At the present stage and for a considerably long period of time to come, Europe is and will still be the center of international struggle. Moreover, the United States' allies are chiefly in Europe. For the United States to become the leader of the West and the world, first of all, it must maintain its leading position in Europe. Therefore, after the end of the Cold War, the United States still intends to have 100,000 troops stationed in Europe. While putting forth the "partnership for peace" program, the United States also supports NATO and former Warsaw Pact member states in establishing "a multinational task force" which is able to maintain peacekeeping operations in the European region without U.S. participation. Apparently, this program will help lighten the United States' burdens and drop the idea of some European countries favoring an armed force outside NATO, thus maintaining U.S. influence in Europe. If NATO expands to Russia's borders overnight, it will be directly exposed to Russia's forward position and the United States will thus lose a buffer zone. Moreover, eastern Europe and Russia are instable areas. As such, the United States will be easily involved in these areas. This is what the United States is doing its utmost to avoid.

Kozyrev Says Russia To Join NATO Partnership in Apr

OW0204020594 Beijing XINHUA in English
0144 GMT 2 Apr 94

[Text] Moscow, April 1 (XINHUA)—Russian Foreign Minister Andrey Kozyrev said here today that Russia will join NATO's partnership for peace program in late April.

According to an INTERFAX report, Kozyrev made the remarks at a press conference after meeting UN Secretary General Butrus Butrus-Ghali at the airport.

He said the program accords with Russia's demand for establishing a partnership with the North Atlantic Treaty Organization (NATO). However he added that by no means will Russia join NATO itself.

He said that to join the program is an important part of Russia's partnership strategy of Europe.

Kozyrev said suggestions by President Boris Yeltsin's spokesman that it would take Russia six or seven months to join the partnership for peace program referred only to the implementation of the partnership, not to the signing of the agreement itself.

Yeltsin's press secretary, Vyacheslav Kostikov, told reporters Thursday that it may take Russia six or seven months to make a final decision on joining NATO's partnership for peace program.

So far 14 east European countries have signed up for the partnership program, launched at the NATO summit in January in order to establish closer military links between the western alliance and East European countries.

WIPO Chief Views Beijing's Intellectual Property Protection

OW0304043694 Beijing XINHUA in English
0252 GMT 3 Apr 94

[Text] Beijing, April 3 (XINHUA)—Fifteen years ago, intellectual property rights protection was virtually non-existent in China.

But now, China has been turned into one of the "advanced" countries in the developing world in this respect, said Arpad Bogsch, director-general of the World Intellectual Property Organization (WIPO).

"The change is from nothing to everything," he said. "The whole world admires what China has achieved in a very short time."

For the past 15 years, Bogsch has been here almost every year. He advised China on the drafting and revision of its laws on intellectual property rights protection and witnessed nearly every progress China has made in this area.

This time, Bogsch came to host a WIPO-China sub-regional symposium on the role of copyright in cultural and economic development, which was held in Kunming, capital of south-west China's Yunnan Province.

Despite a tight schedule, he gave XINHUA an interview before his departure.

He recalled that when he first visited China in 1979, there was only a "very weak" trade mark law here. In the past 15 years, China made great strides in the build-up of a legal framework for intellectual property, while engaged in the development of its economy.

In 1983, a revised trade mark law became effective, which was followed by a patent law two years later. In 1991, the copyright law and regulations on the protection of computer software were promulgated and implemented.

In nine years, the patent system has become a "strong and viable system" and patents are getting more and more attention as well as protection, he said.

Chinese inventors more and more realize that it is in their interests and in the interests of their enterprises, universities and scientific research institutions to have an invention patented, Bogsch noted.

Although the copyright law is relatively young, the national copyright administration has begun its work effectively, setting up various agencies inside the country and organizing royalties collection and distribution among authors, he said.

In the meantime, China joined the Paris Convention for the Protection of Industrial Property, WIPO, the Madrid Agreement Concerning the International Registration of Marks, the Berne Convention for the Protection of Copyright. From January 1 of this year, China has become a member of the Patent Cooperation Treaty.

Therefore, China has completed the participation in international intellectual property agreements, he said. It has become a party to the international contacts in the field of industrial property and copyright, participating now in the formation of the future international relations in this field, he added.

Bogsch noted that protecting industrial property and copyright is to protect inventors' and producers' interests, and encourage them to create and produce more and better cultural and material goods.

"National creativity must be rewarded and encouraged," he stressed.

In order to effectively protect intellectual property, a country must, first of all, have good laws, which will have fines or sanctions against non-compliance, he said.

In this respect, China is one of "the advanced countries" in the developing world, he said.

Secondly, the public awareness of the usefulness of copyright protection must be raised, he said. Yet, to his disappointment, people in many countries do not seem to have realized the significance of copyright.

The presence at the Kunming symposium of over 100 Chinese participants from the country's 31 provinces, municipalities and autonomous regions shows once more the importance China attaches to the improvement of its copyright protection system and to the role of copyright in its cultural and economic development, he noted.

"China will have as good a copyright system as any country in a few years," he said.

Touching on WIPO-China tie, in the past 20 years, he said the cooperation was "excellent" and that WIPO advised China and helped it in the training of staff.

On future cooperation, Bogsch noted that WIPO will continue to give training to more Chinese nationals and give advice, if requested, on how to improve and adapt new circumstances in industrial and copyright laws.

State Council Removes, Appoints State Personnel

OW0304090594 Beijing XINHUA Domestic Service in Chinese 0643 GMT 18 Mar 94

[Text] Beijing, 18 Mar (XINHUA)—The State Council removed and appointed some state organ personnel recently.

Li Guohua (female) and Liu Shan [0491 1472] were appointed as vice ministers of the Foreign Trade and Economic Cooperation; Yin Baozhi [1438 1405 3112] as consul general in Constanta; Shi Jicheng as permanent representative to the United Nations' Economic and Social Commission for Asia and the Pacific; Chen Dazhen as consul general in Geneva and in Liechtenstein; Xu Changcui [6079 2490 6299] as consul general in Barcelona; Liao Qiping [1675 0796 1627] as consul general in Sao Paulo; and Lei Yin [7191 5593] as consul general in Khabarovsk.

Yang Jiachun was removed from the post of consul general in Constanta; Li Shichun, from the post of permanent representative to the UN Economic and Social Commission for Asia and the Pacific; Xu Youjun, from the post of consul general in Geneva and in Liechtenstein; Luo Daoguang, from the post of consul general in Barcelona; Xu Shaohai, from the post of consul general in Sao Paulo; and Sui Qin, from the post of consul general in Khabarovsk.

Beijing Prepares for World Women's Congress

OW0304132494 Beijing XINHUA in English
1253 GMT 3 Apr 94

[Text] Beijing, April 3 (XINHUA)—China is stepping up preparations to host the Fourth World Women's Congress (FWWC) slated for 1995 in Beijing.

Xu Zhijian, deputy secretary-general of the State Council and vice-chairman of the China Organizing Committee for the FWWC, told reporters that the Chinese Government and leaders of the Communist Party of China (CPC) regard the preparations for the congress as important.

Chinese leaders, including Hu Jintao, Chen Xitong, Qian Qichen, Chen Muhua and Peng Peiyun, have regularly heard progress reports on the preparatory work of the China Organizing Committee.

Hu Jintao, a member of the Standing Committee of the Political Bureau of the CPC Central Committee and also a member of the Secretariat of the CPC Central Committee, said after listening to a progress report that the holding of the FWWC in China demonstrates that the world status of China under the opening-up drive and reform has been improving.

"We must make concerted efforts to make a success of the FWWC," he said.

Qian Qichen, vice-premier and also minister of foreign affairs, said that by holding the congress the country

would demonstrate to the world that reformed, open China is now enjoying social prosperity.

Chen Xitong, secretary of the CPC Beijing Municipal Committee, said that the city would carry out the preparations well to ensure a smooth holding of the FWWC in the capital.

Chen Muhua, vice-chairman of the Standing Committee of the National People's Congress and also president of the All-China Women's Federation (ACWF), urged women all over the country to make concerted efforts to make a success of the FWWC.

According to Xu, an estimated 20,000 foreign delegates are expected to attend the congress.

Major conference sites, expected to accommodate tens of thousands of people, have been chosen. The drafting of important documents or reports has been finalized or completed ahead of schedule, and a publicity campaign has been launched.

Some 12,000 guest rooms at luxury hotels have been booked to accommodate more than 20,000 congress participants.

FWWC Secretary-General Gertrude Mongella and her party expressed satisfaction with the service facilities after they visited Beijing as leaders of a United Nations inspection delegation last June.

About 30,000 women from 28 provinces, autonomous regions or cities, including 1,000 officials, have been trained for the congress or for the implementation of the strategies for the advancement of women set by the last congress.

About 1,500 women delegates representing all nationalities across China will participate in meetings associated with the FWWC and a non-governmental organizations forum. About 20,000 people are expected to attend the forum, to be held before and during the main congress.

United States & Canada**Reportage on Cyrus Vance Visit****Meets Li Peng**

OW0204082194 Beijing XINHUA in English
0754 GMT 2 Apr 94

[Text] Beijing, April 2 (XINHUA)—Premier Li Peng said that better Sino-U.S. relations would create favorable conditions for the U.S. enterprises to expand business in China.

In an hour-long meeting with Cyrus Vance, former U.S. secretary of state today, Li noted that many big U.S. companies have submitted tenders for infrastructural projects in China.

He said that China and the U.S. are complementary to each other economically, noting that the U.S. has a very strong economic force and is a leader in hi-tech and infrastructure while China enjoys sustained economic growth and has a vast market, rich resource of manpower and fairly strong technical force.

Therefore, he said, the two sides can accomplish much in launching multi-form economic and technical cooperation.

He reaffirmed that China attaches great importance to its relations with the U.S. and hopes that such ties will turn for the better.

As China and the U.S. are big and influential powers, statesmen of the two sides should look towards the future and even to the 21st century while handling their bilateral relations, the premier said.

Li also briefed the visitor on the reform of China's taxation system, policies for absorbing foreign funds, the role played by the People's Bank of China as the central bank and how the interest rates are fixed.

Vance told Li that he saw tremendous changes in Beijing. He expressed the conviction that when in Shanghai, he would see even greater development and prosperity.

Vance said he knows that President Clinton wants very much to establish a stable and healthy relationship with China.

He believed that there would be further development of the mutually-beneficial U.S.-China cooperation in various fields.

Li Peng recalled that the doors between China and the U.S. were opened when the Republicans were in power and the diplomatic relations were established while the Democrats were in office.

Therefore, "we have many friends in both parties in the U.S.," Li said.

Vance said that the two parties are of the same opinion that no matter which party is in power, the U.S. will continue to work to promote relations with China.

Further on Li Peng Meeting

OW0204125794 Beijing XINHUA Domestic Service in Chinese 0912 GMT 2 Apr 94

[By reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 2 Apr (XINHUA)—When meeting with Cyrus Vance, former U.S. secretary of state, and his party at Zhongnanhai this morning, State Council Premier Li Peng said: Improving and developing Sino-U.S. relations is favorable to economic cooperation between the two countries.

Li Peng said China attaches great importance to Sino-U.S. relations and expressed the hope that relations

between the two countries will develop toward a good direction [hao de fang xiang 1170 4104 2455 0686]. He said: As China and the United States are two big and influential countries, statesmen of the two countries should look toward the future and the 21st century when handling bilateral relations.

Li Peng said: China and the United States are very strongly complementary to each other economically [jing ji hu bu xing hen qiang 4842 3444 0062 5943 1840 1771 1730]. The United States has a very strong economic force and leads the world in the fields of high technology and infrastructures, while China enjoys sustained economic growth and has a vast market, rich labor force resource, and fairly strong technical force. There are bright prospects for Sino-U.S. multiform economic and technological cooperation.

He said: "We are pleased to see that many large U.S. corporations have recently submitted tenders in China. They are very enthusiastic about participating in China's infrastructures constructions."

Li Peng said: If Sino-U.S. relations were to continually improve and develop, this would undoubtedly [wu yi 2477 3992] be very favorable for U.S. enterprises to expand their business in China.

At the guest's request, Li Peng gave a briefing on the progress of reform of China's taxation system, policies for attracting foreign funds, the role played by the People's Bank of China as a central bank, and how interest rates are fixed.

Vance said he was very pleased to have the opportunity to visit China again. He said he personally saw the tremendous changes in Beijing on his arrival.

Vance will revisit Shanghai, where he visited in 1984. He believed there would be even greater development and prosperity over there.

Vance said that to his knowledge, President Clinton attaches great importance to establishing a stable and healthy relationship with China. He believed there would be further development of the mutually beneficial Sino-U.S. cooperation in various fields.

Li Peng said: The doors leading to China were opened when the Republican Party was in power while diplomatic relations were established under the rule of the Democratic Party. "We have many friends in both parties."

Vance said: The United States will work to develop relations with China no matter which party is in power. This is a unanimous point.

The meeting was held in a warm and friendly atmosphere. Premier Li Peng's wife Zhu Lin, Mrs Vance, and former U.S. deputy secretary of state Whitehead and his wife were present at the meeting.

Talks With Qiao Shi

*OW0104120594 Beijing XINHUA in English
1143 GMT 1 Apr 94*

[Text] Beijing, April 1 (XINHUA)—Top Chinese legislator Qiao Shi met Cyrus Vance, former U.S. secretary of state, this afternoon in the Great Hall of the People.

In the meeting Qiao, chairman of the Standing Committee of the Chinese National People's Congress (NPC), said that the NPC plays a major role in the country's legislation.

China is accelerating its pace of legislation and the NPC is playing an important role in this regard, Qiao said. The NPC is focusing on economic legislation, which he said is necessary for the building and development of a socialist market economy.

Vance said he had taken note of the NPC's efforts in building China's legal system, and the United States can benefit from China's experience in this regard.

Qiao extended a welcome to Vance on his current visit to China and expressed appreciation for the efforts Vance made for the establishment and development of Sino-U.S. diplomatic ties while serving as state secretary in the Carter administration.

Qiao said that China and the United States should strengthen their cooperation and maintain a sound relationship which would not only be in line with the fundamental interests and common desire of both peoples but also be beneficial to the peace, stability and prosperity of the Asia-Pacific region and the world as a whole.

Li Lanqing Meets U.S. Business Delegation

*OW0404084494 Beijing XINHUA in English
0810 GMT 4 Apr 94*

[Text] Beijing, April 4 (XINHUA)—Chinese Vice-Premier Li Lanqing met with Whitney MacMillan, chairman of the board and chief executive officer of the U.S. Cargill Incorporated, and his party here this afternoon.

MacMillan and his party arrived here yesterday as guests of China National Cereals, Oils and Foodstuffs Import and Export Corporation.

Cargill Incorporated, founded in 1868, is now one of the largest trans-national companies in the world.

Police Question WASHINGTON POST Correspondent 2 Apr

*OW0204132094 Beijing XINHUA in English
1254 GMT 2 Apr 94*

[Text] Beijing, April 2 (XINHUA)—Lena H. Sun, a Beijing-based correspondent of the U.S. WASHINGTON POST, was questioned here this morning by

Chinese police after taking photographs in a graveyard without having gone through necessary procedures.

She was intervened in line with China's relevant laws and regulations and was asked to abide by them. And she then left to resume her Beijing work, according to police sources.

World Bank: Costs of MFN Withdrawal 'High' for China, U.S.

*OW0104231294 Beijing XINHUA in English
2237 GMT 1 Apr 94*

[Text] Washington, April 1 (XINHUA)—Chinese exporters are not the only ones that would lose if the country's most favored nation (MFN) status in trading with the U.S. is withdrawn, the latest study of the World Bank said today.

"U.S. consumers could end up paying as much as 14 billion U.S. dollars per year in higher prices resulting from a combination of costlier substitutes from alternative supply sources," the study said.

The study "China: Foreign Trade Reform" said that "it appears that the dislocation in trade flows likely to result from withdrawal of China's mfn privileges by the U.S. would range from the dramatic to the disastrous, with the associated costs high for both parties."

It should be noted, the study said, that it is possible for China to find alternative export markets to make up for these losses. China's annual export losses in the U.S. market could be on the order of seven to 15.2 billion dollars.

This is a decline between 42 and 96 percent for the 15 major products China exports to the U.S., whose combined projected losses are between 3.7 and 8.5 billion dollars, with about one half of this reduction registered in the key clothing and toys or games group.

Among the 15 major export products of China to U.S. are, in line of export value in 1990, toys and indoor games, clothing of textile fabric, footwear, travel goods and handbags, radio broadcast equipment, fresh or frozen shellfish, made-up textile articles, and furniture.

"It appears likely that Chinese exports to the U.S. would face grave difficulty due to major cost disadvantage associated with U.S. general tariffs," which is 42 percent on average for the 15 products, as compared with 13.4 percent mfn tariff, the study said.

"With such a major upward shift in the level of import duties, Chinese exports to the U.S. will clearly experience a major decline, and in some product groups, may be completely eliminated," the study said.

MFN applies to all members of General Agreement on Tariffs and Trade (GATT). The U.S. provisionally granted mfn status to China, a non-GATT member, in

1973. U.S. domestic legislation requires the review of China's MFN status on a yearly basis.

World Bank Report Cited on Losses to U.S. If MFN Not Passed

OW0104211594 Beijing XINHUA in English
2248 GMT 1 Apr 94

[Text] Washington, April 1 (XINHUA)—U.S. consumers have to pay 14 billion U.S. dollars a year more for costlier substitutes if China loses most favored nation (MFN) status in trading with the U.S., a World Bank study said today.

The 334-page report, compiled by World Bank staff in Beijing and Washington, said the loss of MFN trading status will have consequences for the U.S. and China ranging "from the dramatic to the disastrous."

The report said China's exports to the U.S. could be reduced by between 42 and 96 percent, depending on how readily Chinese exports can be substituted by others. "American consumers will be penalized," it said.

In 1992, the U.S. imported almost 27 billion dollars worth of goods from China, making the U.S. China's single largest trading partner, the study said.

China's top exports to the U.S. include yarn, cotton fabrics, telecommunications equipment, travel goods, handbags, footwear, watches, clocks, toys, sporting goods and clothing.

"In actuality, the impact of MFN loss is likely to be closer to the lower bound, but even that is a substantial dislocation of trade," the bank's senior economist for China Country Department, Rajiv Lall, said.

The report said time is right for China to significantly liberalize its trade with such steps as reducing tariffs, replacing import quotas and licenses with simpler taxes, and removing remaining export control.

The U.S. first granted provisional MFN status to China in 1973. Domestic legislation in the U.S. requires the review of China's MFN status on a yearly basis. The next such review is expected in June.

The report said that "complete MFN loss would lead to severe dislocation of China's exports to the U.S.," at least halving, and possibly wiping out, China's export of clothing to the U.S.

World Bank: China's Trade System More Open Than U.S.

OW0104231794 Beijing XINHUA in English
2248 GMT 1 Apr 94

[Text] Washington, April 1 (XINHUA)—China's trade system, in wake of institutional decentralization and more foreign direct investment, is now "significantly more open" than the U.S. and Japan, the World Bank said today.

"Despite a complex array of tariff and nontariff barriers to trade, China has become a relatively open economy, with evidence of considerable tariff redundancy," the bank said in a recently concluded country study report.

The study, entitled "China: Foreign Trade Reform", noted that the people's republic, now the 11th largest exporter in the world, has made "dramatic progress" in reforming its trade system in recent years.

Import penetration in certain sectors in China, the study said, is "extremely high", standing at 28 percent of the gross value of industrial output of China's machinery and transport equipment sector in 1990.

"The present is an opportune time for China to embark on a substantive program of trade liberalization," the report said, stressing that the importance of trade planning in China has been "declining".

Since 1979, when the world's most populous country began its market-oriented reforms, China's exports have increased ninefold and imports more than sevenfold.

"The promotion of external trade has been central to China's efforts to modernize its economy," the study said. China's economy, it said, has become "significantly more open than the U.S. and Japan."

The share of merchandise trade in China's gross domestic product went from 10 percent in 1978 to 31 percent in 1991, with imports accounting for 15 percent. China "appears to be more than twice as open as India and Brazil," it said.

In 1978, the study said, trade in China was monopolized by 12 foreign trade corporations and there was no foreign direct investment.

But by 1992, over 3,600 such corporations competed for export business and over 90,000 foreign direct investment projects had been approved with a contracted value of 58.1 billion U.S. dollars, the study said.

In the 1980s, the study said, China's exports outperformed those of most other countries, including such newly industrialized economies as Malaysia. China now exports about 17 percent of the gross value of industrial output of its overall manufacturing sector.

According to China customs statistics, China's trade surplus with the United States, Hong Kong and Germany in 1992 were respectively 15.4 billion, 7.8 billion and 1.6 billion dollars.

During the same period, China's trade deficits with China's Taiwan, Japan, and South Korea stood at 10.4 billion, 5.5 billion and 1.2 billion dollars respectively.

Article Says U.S. To Extend MFN to China

HK0304033394 Hong Kong *WEN WEI PO* in Chinese
2 Apr 94 p a2

[“Special article” by Feng Ta-fu (7458 1129 1381): “United States To Extend MFN Status to China”]

[Text] A debate on whether or not to extend Most Favored Nation [MFN] status to China has been going on in U.S. political circles since early this year.

U.S. Ambassador to China Stapleton Roy has said he believes that “China’s human rights condition is gradually being improved,” and “the most effective way to resolve the dispute with China is through in-depth diplomatic dialogue.” He explicitly advocated “doing away with the practice of linking China’s trade status to its human rights record,” saying that “such linkage is abnormal.” Winston Lord, assistant secretary for East Asian and Pacific Affairs, said that the U.S. Government does not want to conduct a debate on renewing China’s MFN status every year and hopes that this issue will not remain the central topic of U.S.-Chinese relations.

None of the Authorities Want To Cancel China’s MFN Status

Garten [jia teng 0502 3326,] U.S. deputy secretary of commerce said: “To my knowledge, none of the officials in the Clinton administration hope to cancel China’s MFN status. James Baker, the White House chief of staff during President Reagan’s term, said: “There will be tough contention between China and the United States, but, in the final analysis, the United States will extend MFN status to China.” He believed that, should the United States fail to extend MFN status to China this year, the result would be disastrous.

Masters [ma si te 7456 2448 3676,] who was the U.S. Ambassador to Indonesia during the Carter administration, believed that, should Washington openly put pressure on China over the human rights issue, this practice would hardly achieve the expected results. They would only be shooting themselves in the foot by harming U.S. industrial and commercial interests. U.S. Senator Bennett Johnston, Democrat, believes that “Sino-U.S. relations are the United States’ most important bilateral relations.” Should Washington cancel MFN status to China, that would be “unthinkable.” He required President Clinton to extend MFN status to China this summer and furthermore suggested that he extend it forever or on a long-term basis.” U.S. Senator Alan Simpson, Republican, stated: “The United States has granted MFN status to 160 countries, including Libya, Iran and Syria; that being the case, should such status be refused to China, it would be ‘absurd.’” The U.S. press has maintained that, although the U.S. State Department’s human rights report states that, last year, China’s human rights record was “not up to international standards,” in view of the increasingly louder voices coming from U.S. business circles, the U.S. Government should “separately handle” the two issues of human rights and

MFN status, and Clinton should extend MFN status to China. On the issue of permanent or long-term extension, the U.S. press has said that the White House has quietly and slowly launched a broad offensive to seek support for granting MFN status to China, while secretly implementing a plan to grant China permanent non-discriminative tariff treatment.

The U.S. press has reported: “In the U.S. Congress, there is extensive support for granting China permanent MFN status.”

In addition, the U.S. press has most recently reported that, although Warren Christopher has repeatedly said that China “has failed to make substantial progress” in human rights, he expressed that “should Beijing improve its human rights condition in the next few months,” the United States might be willing to consider the practice of extending MFN status to China for several years running.

The United States Is Readjusting its Policy Toward China

With the continuously growth of China’s economic strength and the continuous elevation of its global standing, China is playing an increasingly greater role in international affairs. The U.S. Government has come to see that, in the world today, a solution to any important international or regional issue would be out of the question without China’s participation or cooperation. That being the case, taking the new start that the Seattle Sino-U.S. summit gave Sino-U.S. relations as a turning point, the United States has begun to change its policy toward China and “pursue a new policy which seeks to strengthen economic and political contacts with China” to improve and develop Sino-U.S. relations. As ASIAWEEK put it, “more than any time before, Clinton believes that placing Sino-U.S. relations on a more stable basis falls in line with the greatest interests of the two sides.” At the same time, some important international figures have indicated one after another that the condition of Sino-U.S. relations has a great bearing on regional and even international affairs and have hoped that relations between the two countries would be improved and developed. Singapore’s senior statesman Lee Kuan Yew said: “The United States should regard China as a strategic partner.” The Japanese Prime Minister Hosokawa believed that “improvement in Sino-U.S. relations will be helpful to Asia’s stability.” In addition to approving Lee Kuan Yew’s view, Kissinger stated that “it would not be logical for the United States to shut itself out of China, which is enjoying vigorous economic vitality.”

Neither Side Gains If Trade Is Suspended

That being the case, should the United States cancel China’s MFN status, which has served as the corner stone of Sino-U.S. relations, bilateral relations would not be improved and developed; rather, they would be worsened and would retrogress. True, canceling China’s MFN status would bring certain damage to China, but the losses to the

United States could be even greater. The JIJI Press Agency said, should the United States suspend China's MFN status, it would have a great effect on the U.S. economy. ASIAWEEK said that, whether or not MFN status is extended to China matters a great deal to the United States itself. Today, the jobs of approximately 180,000 people are directly linked to the \$9 billion of U.S. exports to China. Furthermore, these two figures might grow rapidly in the new few years. The NEW YORK TIMES put it more bluntly: "China's economy is the largest one on the rise; Sino-U.S. trade has become so economically important to the United States today that any threat of suspending such trade would be like the United States pointing a gun at its own head while threatening to pull the trigger in foreign affairs."

The Tremendous Effects of MFN Status

To sum up, the immediate interests of China and the United States as well as the imperative of extensive cooperation in regional and world affairs call for the continuous improvement and development of Sino-U.S. relations. Because MFN status is the centerpoint of Sino-U.S. relations, this issue plays a decisive role in the success of their bilateral relations. We can expect that, although contradictions and differences remain between the two countries, as long as there are not any accidents, from the viewpoint of the two sides' immediate and long-term interests, Sino-U.S. relations will inevitably be improved and developed, despite all the ups and downs and difficulties ahead.

Beijing-Affiliated Paper Urges Sino-U.S. Cooperation

HK0304082094 Hong Kong TA KUNG PAO in Chinese
3 Apr 94 p 2

[“Weekly Remarks” column by Kung Yao-wen (7895 5069 2429): “Strengthen Cooperation, Reduce Trouble”]

[Text] The Washington-based World Bank issued a research report last Friday [1 April], saying that the U.S. revocation of China's MFN status would definitely deal a “disastrous” blow to the economies of both countries. The report, providing a list of specific figures, pointed out that the U.S. revocation of China's MFN status would reduce China's exports to the United States by 42- 96 percent. For example, China's garment exports to the United States would drop by 50-100 percent. Given the fact that the Chinese commodities are relatively cheap, U.S. consumers would have to spend \$14 billion more on buying more expensive substitute commodities each year. The report noted that the Chinese economy has become increasingly open due to its growing volume of export trade. It can be said that “China is much more open than India, Brazil, and even the United States.” Since the World Bank is the world's most authoritative financial institution, its views are believed to be objective and pragmatic.

China's Stronger International Position

Recently, personalities in all parts of the world, including those in the United States, have urged the United States to renew China's MFN status, expressing the hope that the United States and China will strengthen cooperation and will jointly make efforts to safeguard the security of the Asia-Pacific Region. Thanks to its growing economic strength and stronger international position, China is playing a more and more important role in the world. Take, for example, the recent nuclear crisis on the Korean peninsula, which has now become the focus of international attention. Many countries are hoping that China will play a positive role in defusing this crisis. As a matter of fact, the statement issued by the UN Security Council chairman on 31 March, urging the DPRK to cooperate on the nuclear inspections issue, has embodied China's policy on the issue, this being the result of China's positive efforts in this connection.

Wide-Ranging Sino-U.S. Cooperation

China and the United States can no doubt broadly cooperate with one another economically and through trade. Reports over the last few days have fully attested to this point. Last Thursday, official U.S. trade representatives declared: U.S. exports to China in 1993 increased by \$1.3 billion over the previous year, reaching \$8.8 billion. In a national trade appraisal report submitted to the government, they acknowledged that China has already taken “significant steps” in fulfilling “most of its obligations” stipulated in the Sino-U.S. trade agreement. The report noted that China has also increased the transparency of its import examination and approval procedures by a large margin. The day before yesterday, the U.S. Government announced its decision to lift the ban on the U.S. companies exporting computer and telecommunications equipment to China in an effort to obstruct Europe, Japan, and other countries from acquiring a larger share of the China market. The decision will probably help to secure contracts worth tens of billions of U.S. dollars for the United States. Yesterday, it was reported that the Chinese and U.S. scientists have made a new breakthrough in medical research cooperation: They have jointly discovered and developed a liver cancer vaccine, thereby finding a new cure for this “incurable disease.” China and the United States can indeed cooperate with each other in many fields.

Opposition to Attaching Strings to MFN Status

The above facts have demonstrated that those who have tried to engineer the revocation of China's MFN status on the pretext of human rights and thus undermine the normal relations between China and the United States are indeed absurd and ridiculous! It is a pity that such people still exist. In the past, they tried in every way to obstruct China from obtaining MFN status or tried to attach strings to China's MFN status. Seeing their position losing popular support with every passing day, they are now trying to employ new tactics. They have recently proposed so-called sanctions against China's “state-run enterprises,” which constitute nothing but a refurbish-

version of their original position. China has already made it clear that MFN status should be a mutual and unconditional status in bilateral trade and that China will not accept any strings attached to its MFN status. We can rest assured that those who advocate revoking China's MFN status are will find it difficult to fulfill their goal. U.S. Undersecretary of Commerce Garten [jia teng 0502 3326] once stated: "As far as I know, no official in the Clinton administration wants to see China's MFN status revoked." There is no denying the fact that contradictions and differences exist between China and the United States. Nevertheless, shared interests make it imperative for the two countries to cooperate and develop relations with one another. The governments of the two countries are duty-bound to make every possible effort to expand cooperation and reduce trouble between the two countries. I hope that events capable of dealing a "disastrous" blow to the economies of the two countries will never take place.

Economic, Trade Delegation To Visit U.S. 11-20 Apr

OW0404082394 Beijing XINHUA in English
0807 GMT 4 Apr 94

[Text] Beijing, April 4 (XINHUA)—A Chinese Government economic and trade delegation is to visit the United States from April 11 to 20, at the invitation of U.S. Secretary of Commerce Ronald H. Brown.

The delegation, headed by Wu Yi, minister of foreign trade and economic cooperation, and Ye Qing, vice-minister of the State Planning Commission, will attend the eighth meeting of the Sino-U.S. Joint Commission on Commerce and Trade (JCCT).

At the meeting, the two sides will discuss the development of Sino-U.S. economic and trade relations and consult on relevant issues.

According to an official who will be in the delegation, at present, the development of Sino-U.S. commercial and trade cooperation is brisk and business people of both countries are eager to expand bilateral economic and trade cooperation.

To further such cooperation, the official said that the delegation is to hold business seminars in Los Angeles and New York during its stay.

Business representatives from 25 Chinese provinces and cities will bring a number of cooperative projects to the two cities for negotiation involving machinery, petrochemicals, iron and steel, metallurgy, agriculture, animal husbandry, power stations, airports and docks.

Representatives from seven Chinese ministries and commissions will also attend the business seminars.

In addition, some Chinese foreign trade corporations will purchase industrial technology and equipment, as well as traditional commodities. The purchase value is expected to reach hundreds of millions of U.S. dollars.

Trade Council Chairman Urges Clinton To Renew MFN

OW0404104594 Beijing XINHUA Domestic Service in Chinese 0632 GMT 1 Apr 94

[By reporter Xu Changyin (1776 7022 6892)]

[Text] Washington, 31 Mar (XINHUA)—Robert Copper [name as published], new chairman of the National Council for U.S.-China Trade, said on 31 March that the Clinton Administration should continue to grant the Most-Favored-National [MFN] status in trade to China this year because further development of U.S.-China trade will benefit both sides.

He made the above remark in a speech at a seminar "Sanctions and Trade Control," sponsored by the U.S. Council for Foreign Affairs. He said: The National Council for U.S.-China Trade hopes very much, and will be happy to see more trade and other exchanges between the United States and China. Disruption of trade relations between the two countries will incur heavy losses to both sides.

According to him, Washington should not hassle over China's MFN status every year. He called for solving this problem once for all this year by granting permanent MFN status to China. On the human right issue, he said the United States has its own standards of human rights, but should not force China to comply.

He added that the National Council for U.S.-China trade, as a nongovernmental organization, will continue to exert efforts to urge the Congress and Clinton Administration to grant MFN trade status to China.

Jane Shilaka, representative of the U.S. Boeing Aircraft Company, also spoke at the seminar. She repeatedly stated that Boeing "entirely supports MFN for China every year." She added that if the annual debate over the MFN status is cancelled, "it will be much better for the American people."

Central Eurasia

Preview of Russian Prime Minister's Visit to China

HK0104140994 Hong Kong LIEN HO PAO in Chinese
31 Mar 94 p 10

[By reporters Kuo Hung-chih (6753 1347 3112) and Hsu Tung-hai (1776 2639 3189): "Russian Prime Minister Will Discuss Economic Relations, Trade, and Illegal Immigration During Forthcoming Visit to Beijing; Jiang Zemin Will Visit Russia and Meet With Yeltsin"]

[Text] Beijing, 30 Mar (LIEN HO PAO)—The Chinese mainland's military, diplomatic, and economic cooperative relations with Russia have become closer and closer. Russian Prime Minister Chernomyrdin is soon to visit Beijing, and mainland president Jiang Zemin will

also visit Moscow and meet with Russian President Yeltsin in the second half of this year.

It has been many years since any Soviet Union or Russian prime minister visited the Chinese mainland. Both sides, therefore, value this visit very much. It is learned that on his forthcoming visit to Beijing, Chernomyrdin will mainly discuss with the Chinese mainland economic and trade issues as well as the problem of illegal immigration.

Last year, trade volume between the Chinese mainland and Russia reached a record high of \$7 billion. At the moment, the Chinese mainland is Russia's second biggest trade partner, after Germany. But there are so many trade obstacles between the two sides that demand immediate removal. The most serious problems are to do with settlement of exchange and transportation.

Though the Chinese mainland declared last year that it acknowledges free exchange between the ruble and the renminbi, the two sides have not yet worked out a specific way to conduct settlement through banks. Businessmen from the two sides often have to carry sacks of banknotes with them to make purchases in the other country. Besides, despite the dramatic expansion of Sino-Russian border trade, inadequate transportation capacity in border areas has brought great difficulty to the cross-border barter trade.

In recent years, large numbers of Chinese mainland residents have illegally settled in Russia. According to one estimate, there are at least 100,000 Chinese people in greater Moscow. A Russian official survey indicates that the population of illegal immigrants from the Chinese mainland in Moscow proper is 50,000. As a Russian diplomat put it, one can hear Chinese spoken any time at underground railway stations and on sidewalks. Illegal immigration has brought many security problems to Russia, causing a headache for the country. On his forthcoming visit to Beijing, Chernomyrdin will discuss with Beijing authorities ways to block illegal immigration.

Military cooperation between the Chinese mainland and Russia has caused much concern among the international community. Though it is still unknown whether or not it will be among the topics of the prime minister's meetings, there is nevertheless information indicating that Beijing is carrying on a number of military technical cooperation projects with Russia, and negotiations on weapon purchase are still underway.

Last year, on his visit to Moscow, Liu Huaqing, vice chairman of the CPC Central Military Commission, gave Russia a long shopping list of weapons, including Sukhoi-27K fighter planes, missiles, tanks, and submarines. Negotiations on this purchasing plan are still continuing. In addition, the two sides are also continuing to implement plans for reciprocal military personnel training and technical transfers.

A high-level Russian diplomat put it straightforwardly that military cooperation is an important part of Russia's relations with the Chinese mainland, which is conducive to the

Russian economy. He said: Russia's defense industry is facing enormous difficulties. To find a way out, the defense industry must try to open up the international market.

This official pointed out: Standardization was lacking in the past when Russia sold weapons to the Chinese mainland, and ordnance companies could export weapons on their own. But now the Russian Government has set up a "Weaponry and Equipment Corporation," through which the center could keep centralized control on the export of weapons. He said: Russia's arms sale policy toward the Chinese mainland is no different than that toward any other country, as regional balance will be taken into consideration and Beijing will not be privileged. Commenting on the rumor that Russia may export aircraft carriers to the mainland, this official said: "It does not have much ground."

It is learned that though Russia badly needs to make money by exporting weapons, it is unlikely that it will export to the Chinese mainland such weapons as aircraft carriers that may pose a threat to Russia itself.

Russian Opposition Groups on 1993 October Incident

OW0304041594 Beijing XINHUA in English
0155 GMT 3 Apr 94

["Russian Opposition Groups Demonstrate To Honor 1993 October Incident" —XINHUA headline]

[Text] Moscow, April 2 (XINHUA)—About 5,000 people today demonstrated outside the White House, the former parliamentary building, to commemorate the victims of the political incident six months ago.

The list of the dead was read aloud at the rally which was organized by the Labor Russia Movement and other opposition parties, the INTERFAX NEWS AGENCY said.

The demonstrators carried red banners and Soviet flags, and laid wreaths at a symbolic grave near the White House.

At least 140 people were killed during the October 3-4 confrontation between government forces backing President Boris Yeltsin and defenders of the old Parliament—the Supreme Soviet.

After Yeltsin dissolved Parliament on September 21, the opposition leaders holed up in the White House and announced they would form another government.

A battle started on October 3 as armed supporters of Parliament launched attacks upon the mayor's office and the television headquarters. The next day, Yeltsin sent tanks and troops to force Parliament leaders to surrender.

The Parliament building, which was damaged in the battle, has been repaired and is now headquarters for the Russian Government.

Zhirinovskiy Nominated Candidate for President

*OW0304041794 Beijing XINHUA in English
0124 GMT 3 Apr 94*

[Text] Moscow, April 2 (XINHUA)—Vladimir Zhirinovskiy, leader of the ultra-nationalist Liberal Democratic Party (LDP), today was chosen as the party's candidate to race for the next Russian president.

The fifth LDP national congress beginning here today also decided that Zhirinovskiy holds its current position until 2004.

The party, founded in March 1990, unexpectedly took the lead in the December 12 parliamentary elections and collected 63 seats in the State Duma (lower house).

The LDP congress was held when all political forces in Russia set out to make preparations for the presidential elections scheduled for 1996.

Yegor Gaydar, leader of the "Russia's Choice" parliamentary group, Deputy Prime Minister Anatoliy Chubays, and Sergey Filatov, director of the presidential office, announced on Thursday that they will found a "Russia's Choice" party.

Gaydar said on Friday after a meeting with President Boris Yeltsin that the president supports in principle the idea of founding the "Russia's Choice" party.

He said that they have agreed not to found any other president's party.

Liaoning Establishes Friendship Ties With Russia's Irkutsk

SK0104063594 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 31 Mar 94

[Text] On 30 March, Yue Qifeng, governor of the Liaoning Provincial government, and (Youamoerk), vice governor of the Irkutsk Oblast government, who was invited to visit Liaoning, signed a protocol establishing friendship ties between Liaoning Province of the PRC and Irkutsk Oblast of the Russian Federation.

Present at the signing ceremony were Gao Guozhu, vice governor of the provincial government; responsible persons of the relevant departments under the provincial government; and members of the Irkutsk Oblast amity delegation. Before the signing ceremony, the two sides held talks to highly assess the achievements in the friendly and cooperation contacts in various spheres between the province and the oblast. They unanimously agreed to further promote the friendly and cooperation ties; to positively promote economic cooperation and trade contacts between the province and the oblast; to make efforts to keep the contacts in the scientific and technological, cultural, sports, and public health spheres; and to jointly make new contributions to rejuvenating the economy of the province and the oblast and to strengthening the friendship between the Chinese people and the Russian people.

Northeast Asia**Qian Qichen Meets Japanese Politician**

*OW0204134794 Beijing XINHUA in English
1240 GMT 2 Apr 94*

[Text] Beijing, April 2 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met here this afternoon with Inoue Issei, vice-chairman of the Social Democratic Party of Japan and director of the International Affairs Bureau of the party.

They exchanged views on issues of common concern in a friendly atmosphere.

Both expressed their pleasure at the smooth development of Sino-Japanese relations since the normalization of bilateral relations 22 years ago, and the new stage for the overall development of such relations.

Qian praised the Japanese party for its contribution to accelerating the normalization of Sino-Japanese relations and promoting bilateral friendly relations.

This morning, Wu Xueqian, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, also met with Inoue and his party.

The Japanese guests arrived here on Friday at the invitation of the International Liaison Department of the Central Committee of the Communist Party of China (CPC).

Yesterday afternoon, Li Shuzheng, head of the International Liaison Department of CPC Central Committee, held talks with Inoue on relations between the two parties and other issues of common concern. After the meeting, Li hosted a banquet for the Japanese guests.

Beijing Radio Reports Spokesman's Comments on DPRK Issue

OW0204012394 Beijing China Radio International in English to Western North America 0400 GMT 1 Apr 94

[From the "Current Affairs" program]

[Text] The Chinese Foreign Ministry says China favors a moderately worded statement to be worked out by the UN Security Council president to solve the nuclear issue on the Korean Peninsula. Ministry spokesman Wu Jianmin made the statement Thursday in Beijing at his weekly press conference. Li Peichuan was there.

[Begin recording] [Li Peichuan] Foreign Ministry spokesman Wu Jianmin said a mild statement should be made in the name of the president of the UN Security Council. He said the statement should be designed to facilitate resumption of dialogue which is the only correct way to settle the nuclear issue. Though Wu Jianmin did not say whether China will veto a tough UN resolution which will impose pressure on DPRK, he said China does not accept such a resolution. He said exerting

pressure will only worsen the situation. When asked whether China has common interests towards DPRK, the spokesman said yes. Earlier the Chinese Foreign Ministry said the status of bilateral ties should be judged by how many common interests two countries have.

[Wu Jianmin in Mandarin fading into English translation] We have common interests toward both the Democratic People's Republic of Korea and the Republic of Korea because all of us...

[Li Peichuan] Wu Jianmin said regional peace and stability are common concern of both China and two Koreas. The spokesman said maintaining peace and stability are preconditions for improving the living standards in all these countries and assists the further development of economic and trade links between them. Commenting on the upcoming visit to China by French Prime Minister Edouard Balladur next week, Wu Jianmin said it is of political significance, it will help improve ties between Beijing and Paris. He said maintaining a good political relationship is a solid foundation for developing economic and trade ties. On another topic, the Foreign Ministry spokesman repeated China's continued support for the peace process in South Africa. Violence has increased recently in some part of the country as the first all-race elections are approaching. Wu Jianmin said China hopes all parties concerned will overcome their differences through negotiations so as to ensure a smooth general election which is scheduled for late April. For China Radio International, I am Li Peichuan. [end recording]

Southeast Asia & Pacific

Reportage on Australian Foreign Minister's Talks

Discusses Dissidents With Li Peng

HK0204075694 Hong Kong AFP in English 0715 GMT
2 April 94

[Text] Beijing, April 2 (AFP)—Australian Foreign Minister Gareth Evans told Chinese Premier Li Peng Saturday of his concern over the latest detention of leading dissident Wei Jingsheng, but said his exchanges were not encouraging.

Evans told journalists after a meeting Saturday with Li that he had raised the subject of Wei's detention, but added: "I can't say that the result of that particular exchange was very encouraging."

It was the second time in a month that Wei—who was attempting to return to Beijing from the nearby city of Tianjin—had been arrested.

Evans said he told Li "this added a whole new degree of difficulty in resolving the MFN (most-favoured-nation) issue with the United States and was a continuing matter of concern, a new matter for a good deal of the rest of the international community, including of course ourselves." [sentence as received] The Australian foreign

minister said Li did not seem to be aware of the latest developments and responded with a lecture on "the virtues of sticking to bilateral relations and larger questions of international relations rather than internal affairs."

"The premier's reaction was not forthcoming on the subject of Wei Jingsheng. It's not a subject that the Chinese Government authorities care to talk about or care to talk about in polite terms anyway," Evans said.

The reason for Wei's detention Friday and his present whereabouts remain unclear. His secretary Tong Yi said she hoped he would be released after about 24 hours as he was after his previous detention one month ago.

The 43-year-old activist, who was released in September six months short of a 15-year jail term for "counter-revolutionary" activities, was among more than 15 dissidents picked up in a police sweep in early March.

Discusses Human Rights

OW0204084494 Beijing XINHUA in English
0828 GMT 2 Apr 94

[Text] Beijing, April 2 (XINHUA)—Premier Li Peng told visiting Australian Foreign Minister Gareth Evans that China and Australia, bound by extensive common interests, should work to further their friendly and cooperative relations.

In a meeting with Evans today, Li noted that there is no conflict of fundamental interests between the two countries, which actually share interests in upholding peace and stability in the Asia-Pacific region, promoting regional cooperation and developing their own economies.

He continued that in the current international relations, the economic factor plays an increasingly important role.

The China-Australia cooperation in iron and steel, energy, transportation and communications has a sound foundation and holds great potentials for expansion, Li said.

Evans told Li that Australia is also pleased to see the big momentum of its trade and economic cooperation with China.

Discussing the human rights issue, both Li and Evans voiced support to the Vienna declaration and program of action, with Li adding that China made big efforts in drafting the declaration.

Li continued that the declaration has reflected the developing countries' basic position and demands, namely the right to development is an inalienable part of the basic human rights.

The declaration, while affirming the universality of human rights, says that people should not neglect the

actual conditions of different countries and regions such as history, culture and religion or confine human rights to only one mold, Li noted.

He stressed that the right to development is an undepriable human right, because the declaration states that poverty and debt are big obstacles to human rights.

Li Peng further stated that the latest resolution adopted at the recent U.N. Commission on Human Rights shows that it would not do to impose one country's views on human rights onto others.

The only correct way is to conduct friendly discussions on the basis of mutual respect and seeking common ground while reserving differences, Li added.

Further on Human Rights

OW0204113594 Beijing XINHUA Domestic Service in Chinese 0845 GMT 2 Apr 94

[By reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 2 Apr (XINHUA)—In a meeting with Australian Foreign Minister Gareth Evans today, Premier Li Peng said there is no conflict of fundamental interests between China and Australia; the two countries, bound by extensive common interests, should work to further their friendly and cooperative relations.

Li Peng said: Through the two countries' joint efforts, Sino- Australian relations are developing with a strong momentum. China hopes the two countries continue to develop friendly and cooperative relations in all fields.'

He noted that China and Australia share extensive common interests in upholding peace and security in the Asia-Pacific region, promoting regional economic cooperation, and developing their own economies.

He continued: In the current international relations, the economic factor plays an increasingly important role. Sino- Australian cooperation in iron and steel, energy, transportation, and communications has a sound foundation and holds great potentials for expansion.

Evans said he agreed with Li Peng on this. He said: Cooperation between the two countries has expanded in both size and substance. Australia is pleased to see the big momentum of its trade and economic cooperation with China.

Li and Evans exchanged views on the human rights issue. Evans said Australia supports the "Vienna Declaration" adopted at last year's world human rights congress. Li Peng added that China also supports the declaration and made big efforts in its drafting.

Li stressed: The declaration has written into it the numerous developing countries' basic viewpoints and demands on the human rights issue. It specifically states that the right to development is an inalienable part of the basic human rights. The declaration, while affirming the universality of human rights, says "the characteristics of

each country and region and the importance of their historical, cultural, and religious background cannot be ignored." In other words, people should not neglect the conditions of different countries or confine human rights to only one mold.

He said: The declaration states that poverty and foreign debt are big obstacles to human rights. Therefore, the right to development is an undepriable human right.

Li Peng stated: The latest resolution adopted at the recent UN Commission on Human Rights shows that it would not do [shi xing bu tong di 5887 0008 6639 4104] to impose one country's views on human rights onto others. The only correct way is to conduct friendly discussions on an equal footing [ping deng you hao di jin xing tao lun 1627 4583 0645 1170 0966 6651 5887 6062 6158] on the basis of mutual respect and seeking common ground while reserving differences.

Wu Yi, minister of foreign trade and economic cooperation, exchanged views with Evans in the morning on developing Sino- Australian trade and economic relations.

Foreign Minister Evans held a news conference in Beijing at noon.

Says Li Peng 'Relaxed' on Hong Kong

HK0304074994 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 3 Apr 94 p 6

[By Geoff Crothall in Beijing]

[Text] China appears to be taking a more "relaxed" approach to Hong Kong's proposed political reforms but is still refusing to enter into meaningful dialogue on its own human rights record, Australian Foreign Minister Senator Gareth Evans said after talks with Chinese leaders yesterday. Unlike previous meetings, Premier Li Peng did not attack Governor Chris Patten's proposals for political reform but instead emphasised the need to maintain Hong Kong's capitalist economy after 1997.

Mr Li added Beijing was not against political change in Hong Kong as long as it was consistent with the Basic Law and the Joint Declaration. "The attitude does seem very much more relaxed than it was until comparatively recently," Mr Evans said. "The (Hong Kong) issue was treated in a much lower key way than has been the case in the past." Mr Evans said China's more relaxed attitude probably reflected a desire, following last year's disputes, to get on with business as usual and let events take their natural course.

On human rights, however, China showed no sign of backing down from its hard line of recent months. Mr Evans raised several specific concerns, including the detention on Friday of dissident Wei Jingsheng, the reported sentencing of Ming Pao journalist Xi Yang and the detention in Shenzhen of Australian businessman James Peng. But he got no response.

Both Mr Li and Chinese Foreign Minister Qian Qichen were unaware of the specific cases and suggested they were not an appropriate subject of discussion for visiting government officials. "The premier's reaction was not forthcoming on the subject of Wei Jingsheng. It is not a subject Chinese government authorities care to talk about (not in very polite terms anyway)," Mr Evans said. "The view was that it was a matter better left un-raised by me or anyone else, and that it was an internal affair of China."

Mr Evans received an equally blunt response to his request for China to send a human rights delegation to Australia to maintain a human rights dialogue between the two countries. He was told the "conditions" for such a visit were "not appropriate" following the establishment of the Tibet Information Office (the Dalai Lama's unofficial embassy) in Australia, and recent statements on China's human rights record by Australian officials at the United Nations Commission on Human Rights in Geneva.

Despite the rebuff, Mr Evans vowed to continue raising the issue of human rights with China, stating human rights were "everybody's business" and that China could not avoid international dialogue on the issue. He stressed, however, Australia would not engage in "grandstanding or drum beating" on the issue but would engage China in a persistent, comprehensive and systematic manner. Taking a more aggressive approach towards human rights as the United States has done could "generate a negative response", he said, arguing a quieter, less confrontational approach could lead to better results.

On North Korea, one of the main topics of discussion during his two days of talks in Beijing, Mr Evans said he was confident China was playing an active role in defusing the tension over North Korea's nuclear programme. He also said he personally thought China would not necessarily oppose sanctions if dialogue on the issue broke down completely. Officially, the Chinese position remained that they had only a limited role in the dispute, he added.

Discusses Hong Kong Reforms

*BK0304084694 Melbourne Radio Australia in English
0500 GMT 3 Apr 94*

[Text] Australia's Foreign Minister Gareth Evans, who is visiting Beijing, says China's attitude towards political reform in Hong Kong is much more relaxed than in the past. Senator Evans, a strong supporter of Hong Kong Governor Chris Patten's plan to broaden democracy, was speaking after meeting Chinese leaders. Eli Moore reports.

[Begin recording] [Moore] Senator Evans has been a target of sharp criticisms from China over his very vocal support for political reforms in Hong Kong—reforms which China has vowed to overturn when it takes over the territory in 1997. But Gareth Evans says that in talks

with Chinese leaders over the past two days in Beijing the reaction was softer than it has been in the past.

[Evans] Sure, what I'd make here is that this attitude does seem every much more relaxed and then of course until comparatively recently on this issue.

[Moore] Senator Evans said Premier Li peng was at pain to point out that preserving Hong Kong's status, especially its capitalist system, was in China's own interest. [end recording]

Discusses Detention of Citizen

*BK0204131094 Melbourne Radio Australia in English
1100 GMT 2 Apr 94*

[Text] The Australian foreign minister, Gareth Evans, has told China's leaders his country strongly objects to the detention, in the south of the country, of an Australian citizen, James Peng, who has been jailed for more than five months. The Chinese born Australian, James Peng, is involved in a business dispute with the local authorities in the southern Chinese city of Shenzhen but he's still not been charged with any offense and has been denied any contact with his family. In talks with China's Foreign Minister Qian Qichen and Premier Li Peng in Beijing, Senator Evans said there were serious grounds for concern over James Peng's detention.

[Begin Evans recording, in progress] ... I made it every clear that whatever the legitimacy might be that China taking, probably formulated criminal action against him [words indistinct] some matter proceeding to late charges and trial [words indistinct] Australia could have no objection to that process being followed; we certainly had a strong objection to Australian citizens, or anyone else for that matter, being detained without due process in this way. [end recording]

Meets With Qian Qichen

*OW0104142594 Beijing XINHUA in English
1359 GMT 1 Apr 94*

[Text] Beijing, April 1 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen today urged Australia to relax conditions for its technology transfer to China and encourage more businessmen to invest in China.

During the two-hour-odd talks with visiting Australian Foreign Minister Gareth Evans, Qian noted that the volume of Sino-Australian trade reached three billion U.S. dollars last year, registering a 28 percent increase over that of 1992 and hitting the all-time high in history.

He said China's economy is developing in a sustained and healthy way and there exists a great potential for furthering bilateral cooperation in the fields of energy and communications.

Qian said it is his hope that Australia will soften its terms for transferring technology to China, encourage more Australian businessmen to invest in China so as to

further push forward bilateral economic and technological cooperation in the high-tech field.

He said that both China and Australia are in the Asian and Pacific region, sharing common interests and responsibility in safeguarding the peace and stability in the region and promoting the economic cooperation there.

"Maintaining bilateral friendly cooperation will be a factor for the stability in the region," he said.

The Chinese foreign minister said over the past few years, the Sino-Australian ties have grown rapidly, adding that the exchanges between leaders of the two countries have increased and economic cooperation and trade expanded.

"The Chinese side is satisfied with the development of its relations with Australia," he said.

Evans said that Australia-China relations have been developing rapidly and yielded fruitful results.

The Australian people, he said, are pleased to follow the vigorous development of China's economy and they have come to realize that in China there is a very good opportunity for cooperation. Australian enterprises are willing to strengthen cooperation with China, he said.

Evans said the Australian Government wants to explore with China new ways to further bilateral cooperation.

He reaffirmed that Australia has always supported the restoration of China's status as a signatory party to the General Agreement on Tariffs and Trade (GATT) and hopes that this will be realized before the establishment of the World Trade Organization.

Evans said that his country will continue to stick to the "one-China" policy.

During the talks, the two foreign ministers also exchanged views on other issues related to bilateral ties and international issues of common concern.

After the talks Qian gave a dinner in honor of Evans and his party.

The Australian foreign minister arrived here as Qian's guest earlier today.

Before coming here, Evans and his party visited Guilin.

Foreign Trade Minister Meets Australian Counterpart

OW0204033394 Beijing XINHUA in English
0318 GMT 2 Apr 94

[Text] Beijing, April 2 (XINHUA)—Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi met here this morning with visiting Australian Foreign Minister Gareth Evans and his party, and they exchanged views on bilateral economic and trade relations and other issues of common interest.

Wu said that Sino-Australian economic and trade relations have been developing rapidly and well, quoting statistics from China's customs that bilateral trade volume last year reached three billion U.S. dollars, up 29 percent over the record figure of 1992.

China had a 800 million U.S. dollars trade deficit with Australia last year with import at 1.9 billion U.S. dollars and export, 1.1 billion U.S. dollars. Wu said that China hopes to have a balanced trade by increasing trade.

The Australian foreign minister arrived here yesterday as guest of his Chinese counterpart Qian Qichen.

Malaysian Firms To Join Entertainment Industry

OW0104171894 Beijing XINHUA in English
1654 GMT 1 Apr 94

[Text] Kuala Lumpur, April 1 (XINHUA)—Several Malaysian companies together with their multi-national partners have decided to join China's entertainment and film industry.

This was proved by the signing of several agreements here today, which was witnessed by Malaysian Minister of Trade and Industry Rafidah Aziz.

The agreements worth a total of 60 million U.S. dollars are principally for the establishment of integrated entertainment centers, comprising multiplexes and dynamic motion simulators in Shanghai and other cities of China, Ramli Kushairi, chairman of South Malaysia Industries (SMIB) told newsmen here today.

SMIB is a big shareholder in the proposed projects. The venture partners are United Cinemas International owned by Paramount Pictures and Universal MCA, and China Venturetechno International and Shanghai Paradise, a leading Chinese entertainment company listed on Shanghai's stock market.

The international standard multiplexes to show the latest films "will meet the needs of the more affluent and discerning Chinese consumers", Ramli said.

The first multiplex would be opened in Shanghai in January 1995, he said.

Sihanouk To Visit DPRK 4 Apr; 'Nearly Completely Recovered'

OW0204121894 Tokyo KYODO in English 1143 GMT
2 Apr 94

[Text] Beijing, April 2 KYODO—Cambodian King Norodom Sihanouk will visit North Korea from Monday [4 April], officials at the Cambodian Embassy in Beijing confirmed Saturday.

The king is expected to visit Kim Il-song in connection with Kim's 82-year birthday on April 15, an embassy spokesman said.

The king will probably also go over the results of his recent six-month treatment for cancer, he said.

It was not immediately clear if Sihanouk would attempt to exert any influence over North Korea to allow full inspections of its suspected nuclear sites by the International Atomic Energy Agency (IAEA).

Interference in IAEA inspections in March led to a U.N. Security Council statement urging North Korea to accept further inspections and continue dialogue on the issue.

Sihanouk is expected to travel in his own royal airplane and will leave Pyongyang and return to Cambodia next Friday by way of Beijing, the spokesman said.

The king resumed his official duties Thursday when he met with a Chinese leader, his first official meeting since undergoing cancer treatment in Beijing last October. Sihanouk met with Australian Foreign Minister Gareth Evans on Friday.

The spokesman said Sihanouk has "nearly completely recovered."

Cambodia's Foreign Minister Meets Guangdong Delegation

OW0304141994 Beijing XINHUA Domestic Service in Chinese 0837 GMT 2 Apr 94

[By reporters Yan Ming (2518 2494) and Li Chaobi (2621 6389 4310)]

[Text] Phnom Penh, 2 Apr (XINHUA)— Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation of the Kingdom of Cambodia, received Liu Weiming, vice governor of Guangdong Province, and his entourage on the evening of 1 April. He told the visitors that the Kingdom of Cambodia welcomes investment from Guangdong Province to help the country develop its economy.

Sirivut said: "Cambodia is working on creating a good environment. We welcome foreign investment to help Cambodia rebuild itself. Recently, I had the good fortune to accompany the two prime ministers to visit Guangdong Province. I was very impressed by its fast economic growth. It is very close to our country. The two sides can carry out cooperation in many economic fields." He said: "Economic development is of the priority of the Cambodian Government and people."

Liu Weiming said: "Guangdong Province is very interested in cooperation with Cambodia in industry, agriculture, commerce, and so forth. This cooperation will be carried out on the basis of equality and mutual benefits. Guangdong will send economic delegations to further study the conditions in Cambodia."

Cambodia's Ranariddh, Hun Sen Meet Guangdong Delegation

OW0304142194 Beijing XINHUA Domestic Service in Chinese 1324 GMT 2 Apr 94

[By reporters Yan Ming (2518 2494)]

[Text] Phnom Penh, 2 Apr (XINHUA)—Cambodia's First Prime Minister Ranariddh and Second Prime Minister Hun Sen separately received a delegation from China's Guangdong Province today and yesterday. They expressed welcome for China to invest in Cambodia.

During the meeting, Ranariddh said that Chinese investment in Cambodia is very welcome. He said: "Many provinces of Cambodia are good for developing crop farming, cash crops in particular. There are also great potentials for developing aquaculture for market at home and abroad."

During the meeting, Hun Sen said: "There are immense possibilities for joint development of agriculture between Cambodia and China. Guangdong Province has technology and Cambodia has resources. Both sides will benefit from joint development. He pointed out that the prospects of commercial cooperation between the two sides are very bright."

Liu Weiming, head of the Guangdong provincial delegation, said that Guangdong is interested in cooperation with Cambodia in industry, agriculture, construction, and other sectors.

The Guangdong provincial delegation arrived in Cambodia on 27 March for a goodwill visit. It left Phnom Penh for home this afternoon.

Air China Opens Jakarta-Shenzhen Service

OW0204142094 Beijing XINHUA in English 1246 GMT 2 Apr 94

[Text] Jakarta, April 2 (XINHUA)—Air China started the maiden voyage of Jakarta-Shenzhen-Beijing air service here today.

The scheduled flight in Boeing-767 will be regularly on every Saturday.

The opening of the new air service is expected to benefit exchanges between peoples of the two countries.

Air China Jakarta office manager Guo Liangkuan told XINHUA that this step will make things convenient for customers to travel to China through Shenzhen, and at the same time provide another way for those to Hong Kong on business or holiday.

Since June 18, 1991, Air China's first flight between Beijing-Xiamen-Jakarta, Air China served 4,000 customers in 1992 and 6,000 in 1993.

Burmese Government To Supervise Gem Trade on Border

*CW0304042294 Beijing XINHUA in English
0334 GMT 3 Apr 94*

[Text] Yangon [Rangoon], April 3 (XINHUA)—A Myanmar [Burmese] mission will be sent to Muse, a town on Myanmar-China border, to supervise legal and free gem trade from May 1, 1994.

An official report here said that Minister for Mines Lt-Gen Kyaw Min inspected certain towns along Myanmar-China border on April 1.

He found there is gem smuggling in those towns, so measures are to be taken to prevent it, while allowing legal and free gem trade.

As for the supervision commission, the minister said it will help negotiate deals between local merchants and foreign traders.

Out of the proceeds, he said, 15 percent will be taxed and current accounts for the remaining 85 percent will be opened at the Myanmar Foreign Trade Bank.

XINHUA Notes SRV Prime Minister's Cambodia Visit

*CW0204083094 Beijing XINHUA in English
0736 GMT 2 Apr 94*

[Text] Phnom Penh, April 2 (XINHUA)—Vietnamese Prime Minister Vo Van Kiet arrived here today on a two-day official visit aimed at boosting friendly relations and cooperation between the two countries.

A high-ranking Cambodian official said that Vo Van Kiet will also discuss how to solve border and immigration issues with the Cambodian leaders.

The Cambodian national radio reported today that the Vietnamese side will make an emergency demand to the Cambodian side that some 30,000 Vietnamese emigrants should be repatriated to Cambodia. The Vietnamese emigrants fled to Vietnam from Cambodia in March, 1993 and are currently gathering in two countries' border areas.

As to the Cambodian-Vietnamese border issue, the Cambodian Constitution provides that any solution should be based on the Cambodian domain before the year of 1969.

Vo Van Kiet is visiting at the invitation of Norodom Ranariddh and Hun Sen, co-prime ministers of the Royal Cambodian Government which was formed in November last year.

West Europe**Official Says Beijing Willing To Abide by GATT Stipulations**

*CW0104115594 Beijing XINHUA in English
1051 GMT 1 Apr 94*

[Text] Beijing, April 1 (XINHUA)—Entrepreneurs in Western European countries have become more and more interested in China's vast market since Deng Xiaoping delivered his landmark speeches during a south China trip in early 1992.

Western European entrepreneurs, given added knowledge of China's reality, have seen that the country's reform and opening policy, which has brought about economic prosperity and social stability, is not an expediency.

A fever of investing in China has emerged in Western Europe since 1993. Statistics show that the total volume of contractual investment in China by EEC countries reached 670 million U.S. dollars during the January-September period of last year. The development of economic and trade cooperation between China and Western Europe has been bustling. The trade volume between the two sides was 15.1 billion U.S. dollars in 1991, 17.4 billion U.S. dollars in 1992, and up to 26.1 billion U.S. dollars in 1993.

Taking the lead is Germany. In November last year the two countries signed over 20 cooperative agreements and letters of intent involving a total capital of 2.8 billion U.S. dollars.

China's economy has entered a new phase of high-speed growth since the beginning of 1992, with an annual growth rate reaching 13 percent for two years running, presenting a big contrast to the economy in Western Europe.

Foreign Minister Flavio Cotti of Switzerland said at a meeting in Zurich in February of this year that the rise of China's economy has offered enormous opportunities to Swiss enterprises. He called on Swiss entrepreneurs to swing into action by seizing the opportune moment.

Ambassador Pierre Duchateau, head of the China-based delegation of the European Communities (EC) Commission, told XINHUA that the EC will enhance cooperation with China in such fields as transportation, energy, telecommunications and agriculture.

France is rapidly catching up. An official from the French Embassy in China told XINHUA that the upcoming China visit by French Prime Minister Edouard Balladur signify the importance France has attached to its ties with China. He revealed that the French prime minister will bring with him important information on the possibilities of cooperation in such areas as trade, aviation, communications and energy.

An official from the Chinese Ministry of Foreign Trade and Economic Cooperation (MOFTEC) said that it is the vast potential market rather than cheap labor that is attractive to foreign investors. This potential is becoming a reality, said the official, adding that China's total import volume will exceed 1000 billion U.S. dollars from now to the end of the century.

Another major factor that makes China so attractive is the country's good investment conditions. China has adopted more than 500 economic laws and regulations concerning foreigners and is trying to further perfect economic legislation in this regard.

China's economic and trade system, after 15 years of reform, has become more conformable to the rules of the General Agreement on Tariffs and Trade (GATT), and the country has laid a favorable foundation in its infrastructure for further attracting foreign investment.

While Western Europe aims at China's big market, China is trying to open up the market of Western Europe. In the international economic exchanges there exist both cooperation and competition between the partners.

Duchateau admitted that some Western European countries sometimes showed a tendency toward trade protectionism because of economic recession in those countries.

He held that the best ways should be found to settle the trade conflicts in the international community through consultation and cooperation between the parties concerned.

The official from China's MOFTEC also held that problems should be resolved through consultation. China opposes adopting unilateral restrictive actions without consultation.

He said that China is taking an active part in the negotiations in an effort to resume its signatory party status in GATT. China is willing to abide by the stipulations of GATT and dedicate itself to promoting the development of the world economy and trade.

Chen Muhua Meets Icelandic Visitors
OW0104134594 Beijing XINHUA in English
1258 GMT 1 Apr 94

[Text] Beijing, April 1 (XINHUA)—Chen Muhua, vice-chairwoman of the Standing Committee of the National People's Congress (NPC) of China, met with an Icelandic women's delegation here today.

Chen, also president of the All-China Women's Federation, had a cordial talk with the group, led by S. Petursdottir, president of the Federation of Icelandic Women's Societies.

Institute President Meets French Visitors

OW0304120794 Beijing XINHUA in English
1156 GMT 3 Apr 94

[Text] Beijing, April 3 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs (CPIFA), met with and hosted a banquet for Jacques Attali, former special advisor to the French president, and his party here this evening.

Attali and his party arrived here this morning as guests of the CPIFA. In addition to Beijing, they are also scheduled to visit the cities of Shanghai and Suzhou.

UK Businesses 'Eager' for Improved Relations

HK2502144394 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0959 GMT 17 Feb 94

[“Special article” by reporter He Chong (6320 3095): “UK Business Community Eager To See Improved PRC Ties”]

[Text] Hong Kong, 17 February (ZHONGGUO TONGXUN SHE)—According to reports published by London newspapers, UK industrial and commercial circles have recently and repeatedly warned John Major's government that Hong Kong Governor Chris Patten's hostile stance and behavior toward China on the question of Hong Kong's political reform is bound to adversely affect Sino-British relations and jeopardize Sino-British economic and trade cooperation. Some personages within Britain's industrial, commercial, and political circles have even publicly demanded that the “Hong Kong governor be replaced” and maintain that only by doing so will Britain's and Hong Kong's long-term interests be safeguarded.

On 7 February, given deteriorating Anglo-Chinese relations, the “Anglo-Chinese Trade Group 48” announced its decision to cancel a scheduled visit to China by a heavyweight British trade delegation led by British Trade and Industry Secretary Michael Heseltine this coming fall in a bid to avoid embarrassment. It was reported that the “Anglo-Chinese Trade Group 48” had originally decided to send a total of 24 economic and trade delegations to China this year with the aforementioned high-level delegation comprising the chief executives of some 100 major British firms being the most important. The delegation was originally scheduled to visit China in late September of this year to promote the sale of UK-made technology and equipment to China and was scheduled to visit Beijing, Shanghai, the Three Gorges of the Chang Jiang, Tianjin, Wuhan, Guangzhou, and Shenzhen, as well as some other places in China. As Hong Kong Governor Chris Patten has submitted the first part and plans to submit the second and last part of his political reform package to the Legislative Council in early March [as received] and have them ratified for official enforcement this coming July, the Chinese side is expected to react strongly to the governor's decision. Thus, it would be inappropriate for British business leaders to visit China under such an “atmosphere.”

Not long before, Bailiren [4101 4409 0088], president of the "Anglo-Chinese Trade Group 48," had publicly accused John Major's government of ignoring the views and jeopardizing the interests of the UK business community, saying that the way in which the government had handled the Hong Kong question had undermined Anglo-Chinese trade relations, that the government had failed to see the adverse effects of Chris Patten's political reform package, and that it is not worthwhile for the government to risk everything on Chris Patten's political reform package. He also made it clear that the UK business community would not give its support to Chris Patten, stating: "We want to see him removed from office; the sooner, the better."

In the meantime, many of Britain's industrial associations and chambers of commerce have also started demanding that John Major's government take measures to remove the obstacles hampering Anglo-Chinese relations and to explore ways to enter the China market. At an annual meeting of the Birmingham Chamber of Commerce held on 28 January, 1994, Mr. Carter, chairman of the Birmingham Chamber of Commerce, told British Foreign Secretary Douglas Hurd, one of his distinguished guests at the occasion, that diplomats should make redoubled efforts to promote foreign trade and support businessmen in expanding exports to China. As the British Government's position on the question of Hong Kong has already undermined Anglo-Chinese relations, he added, some of the Anglo-Chinese economic cooperation projects previously agreed upon by the two sides were now in danger of being frozen or scrapped. Moreover, he said, the UK business community will inevitably lose business opportunities in China. Mr. Carter stressed that China is now the biggest market in the world. [sentence as received] It would be terribly wrong for Britain to shoot itself in the foot and undercut its own competitiveness at this moment. Therefore, he noted, the British Government should reexamine its policies.

At a large exhibition, entitled "Hong Kong's Achievements," which was held two months ago, John Major was asked by more than 300 influential businessmen from all over the world how he would, in his capacity as prime minister, try to protect the interests of the British business community in Hong Kong and China, as well as in Asia as a whole.

What merits attention is that China has repeatedly expressed welcome to British businessmen and has invited them to invest in and discuss trade. In fact, the total volume of Sino-British trade reached \$3.59 billion in 1993, up 86 percent over the previous year, only slightly lower than the increases registered in Sino-German trade and in the volume of trade between China and some West European countries. Nonetheless, since Britain has adopted an unfriendly and noncooperative attitude toward China on the question of Hong Kong, Sino-British economic and trade relations are bound to be adversely affected in the long run. Beijing officials have already stated that the Chinese side is unwilling to see this and should not be held responsible for such a scenario.

UK officials and the business community concede that China has thus far shown no signs of discriminating against the UK business community. However, any country or region will try to select firms from a friendly country as its business partners so long as it can offer prices which are not higher and possesses technology which is not inferior to those offered by firms from other countries in the bidding process. Some UK newspapers, including "THE OBSERVER," "THE DAILY TELEGRAPH," and "THE SUN," have published commentaries, saying that Britain has underestimated the indignation of China's local governments on the question of Hong Kong, and the majority of China's imports, worth about \$700 billion in all, will be purchased by local governments over the next seven years. Should Britain try to encroach upon Chinese sovereignty and violate agreements reached with China in the past on the question of Hong Kong, they asked, how could Britain expect the Chinese to be friendly to it? They argued that as Germany has entered the China market and France has stopped arms sales to Taiwan in an attempt to restore friendly relations with China and increase exports to China, there is no reason for Britain not to do the same.

Latin America & Caribbean

Qian Qichen, Brazilian Foreign Minister Confer
OW0404092894 Beijing XINHUA in English
0910 GMT 4 Apr 94

[Text] Beijing, April 4 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen and visiting Brazilian Foreign Minister Celso Luiz Nunes Amorim held talks on bilateral ties and international issues here today.

In the talks, Qian noted that Sino-Brazilian relations have witnessed new developments since Chinese President Jiang Zemin's visit to Brazil last November. The fact that the Chinese and Brazilian foreign ministers have met three times in half a year also testifies to the fast increase of bilateral exchanges.

China is pleased with the progress of its cooperation in the various fields, including hi-tech, with Brazil, Qian added.

He continued that China and Brazil, the two biggest developing countries in the Eastern and Western Hemispheres, play increasingly important roles in international affairs.

Therefore, "to strengthen Sino-Brazilian cooperation is of great importance to the development and prosperity of the two countries and to world peace and development," Qian stressed.

Amorim noted that the 20th anniversary of the establishment of Brazil-China diplomatic ties falls in 1994. He reaffirmed that the Brazilian Government is determined to push forward its ties with China.

His current visit is also aimed at giving new impetus to bilateral ties, he added.

Such ties have been greatly strengthened by the frequent high-level exchanges and wide-ranging cooperation between the two countries, he said.

Qian thanked Brazil for its support for the restoration of China's status as a founding party of GATT, and its cooperation with China in international affairs.

Qian also expressed appreciation for the Brazilian Government's "one China policy."

Amorim reiterated that Brazil will continue to abide by the principles enshrined in the communique on the establishment of diplomatic relations with China.

This afternoon, Song Jian, Chinese state councillor and minister in charge of the State Commission of Science and Technology, and Amorim discussed cooperation on science and technology.

They also attended the signing of three supplementary protocols to the science and technology cooperation agreement between the two governments. The protocols deal with new materials, biology and Chinese medicine respectively.

Earlier today, Wang Zhongyu, minister in charge of China's State Economic and Trade Commission, and Amorim had a meeting on furthering Sino-Brazilian trade and economic cooperation.

Defense Minister Leaves To Visit Latin American Countries

OW2703033294 Beijing XINHUA in English
0245 GMT 27 Mar 94

[Text] Beijing, March 27 (XINHUA)—General Chi Haotian, Chinese State Councillor and defense minister, and his party left here today on an official goodwill visit to Brazil, Uruguay and Chile.

Among those seeing them off at the airport were General Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army, and diplomatic envoys of the three countries in Beijing.

NPC Chairman Qiao Shi Meets Colombian Jurists

OW3003134094 Beijing XINHUA in English
1259 GMT 30 Mar 94

[Text] Beijing, March 30 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, met here today with Hernando Herrera Vergas, president of the Colombian Constitutional Court, and his party.

Qiao said that he believed that Herrera's current visit to China would promote exchanges and cooperation between Chinese and Colombian judiciaries.

Herrera said that his visit to China was to set up friendly relations and cooperation with China's judicial bodies.

Adores Gonzale Diaz, minister of justice, who is accompanying Herrera on the visit, said that his country was willing to cooperate with other countries, especially China, on the anti-drug issue.

Qiao said that China stands firm in anti-drug matters and wishes to cooperate with Colombia and other nations on this aspect.

Ren Jianxing, president of the Supreme People's Court of China, took part in the meeting.

Herrera and his party arrived here on Sunday for a visit as guests of the Supreme People's Court.

Supreme Court Head Fetes Jurists

OW2803130094 Beijing XINHUA in English
1238 GMT 28 Mar 94

[Text] Beijing, March 28 (XINHUA)—Ren Jianxin, the president of China's Supreme People's Court, hosted a banquet here this evening in honor of a judicial delegation from Colombia.

The 16-member delegation, headed by Hernando Herrera Vergas, president of the Colombian Constitutional Court, arrived here on Sunday at the invitation of China's Supreme People's Court. They are also scheduled to visit Xian and Shanghai.

China, Cuba Reach Agreements on Trade Cooperation

OW204035394 Beijing XINHUA in English
0324 GMT 2 Apr 94

[Text] Havana, April 1 (XINHUA)—China and Cuba signed four agreements on trade cooperation here today to further promote their economic and trade ties.

The four agreements include the minutes of the negotiation session, a protocol on bilateral trade for 1994, an accord on loans granted by China to Cuba and notes on the pricing of raw sugar.

The signing came at the conclusion of the sixth session of the mixed commission for economic and commercial relationship between China and Cuba.

Heads of the two countries' trade delegations, visiting Vice Minister Hao Jianxiu in charge of China's State Planning Commission and Cuban Minister of Foreign Trade Ricardo Cabrisas Ruiz signed the documents.

During the week-long visit ending Friday, the Chinese economic and trade delegation held a meeting with Cuban President Fidel Castro.

Political & Social

Zhao Ziyang Allowed To Visit Sichuan Province

HK0204062294 Hong Kong *SOUTH CHINA MORNING POST* in English 2 Apr 94 p 5

[By Willy Wo-lap Lam]

[Text] Ousted Communist Party chief Zhao Ziyang has been allowed to go on a tour of Sichuan Province, one of his major power bases. Chinese sources said that, while it was unlikely Mr Zhao would return to the political scene in an official capacity, his role as a potential kingmaker had become apparent as the health of patriarch Deng Xiaoping remained precarious.

The sources said Mr Zhao arrived in the provincial capital of Chengdu before the Lunar New Year, and that he would be returning to Beijing later this month. They said while the former party general secretary enjoyed "generally good health", he suffered from an unspecified lung ailment and had spent some time at a sanatorium in Chengdu. Mr Zhao's wife, Liang Boqi, who had treatment in a Beijing hospital late last year for a heart problem, is also believed to be resting in the same sanatorium.

An informed source in Sichuan said Mr Zhao continued to pay attention to economic and political reform in the country, but he was not in a good mood. "Mr Zhao is worried about the pervasiveness of corruption, and the fear that it may get worse," the source said. "He hinted the present leadership had not acquitted itself well in curtailing graft saying he had done more to stop corruption during his tenure as premier and party chief."

Moreover, the source added, almost five years after his fall from grace, Mr Zhao was still complaining about mistreatment. "I was accused of liberalisation on the economic front, but the leadership has been doing things that I would not have dared do," he reportedly said.

China analysts said it was significant that Mr Zhao, who had been under virtual house arrest, had been allowed to go to Sichuan where he was party boss from 1975 to 1980. Last year, the leader of the party's liberal wing was permitted to pay visits to Guangxi, Hunan and Jilin provinces but not to Guangdong, where he had also been party secretary.

It is understood the administration is nervous about Mr Zhao travelling out of Beijing particularly in light of the enthusiastic reception accorded the former leader last year. Although Mr Zhao's status was that of an ordinary party member, he was met in each of the three provinces by the top party leaders.

Western diplomats said Mr Zhao's former associates had become more active since news about Mr Deng's failing health filtered out late last year. These associates included former state president Yang Shangkun and former head of the National People's Congress, Wan Li.

Mr Wan, who together with Mr Zhao spearheaded agrarian reform in the late 1970s, was considered particularly close to the former party chief. In the past few months Mr Deng has told his intimates that Mr Wan should play a major role in ensuring a smooth political transition after his death.

Sources in Beijing said Mr Zhao, who lives in a guarded compound in the heart of the capital, had been allowed to see more visitors since late last year. The latter included his former associates as well as many influential children of senior cadres.

Leaders Join Citizens in Tree Planting

OW0204153394 Beijing *XINHUA* in English 1441 GMT 2 Apr 94

[Text] Beijing, April 2 (XINHUA)—Chinese Communist Party and government leaders Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing and Hu Jintao this morning joined two million Beijingers in planting trees in the capital.

Together with local leaders and residents, as well as 50 young pioneers, they planted 80 trees of Chinese pine and willow in the Yuanminyuan Park—garden of ten thousand gardens—an imperial park created over a 150-year period from 1709 to 1859, in the north-western suburbs.

The first Sunday of April is a tree-planting day for the capital, and over the past few years, government and party leaders have joined in the green activities on this day.

Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, was told that the trees planted last year by the leaders were growing well. He expressed gratitude to the gardeners, saying that it was they who had taken good care of these trees. He added that what was wanted was to create a general greening spirit.

After planting a tree, Jiang said that every citizen should be aware of the importance of tree-planting since it can bring benefit to this generation and coming generations.

Also taking part in today's tree-planting were a dozen other high ranking officials.

Chen Huanyou Addresses Nanjing Work Meeting

OW0404112494 Nanjing *XINHUA RIBAO* in Chinese 5 Mar 94 p 1

[By Reporter Liu Shoutong (0491 1108 2717)]

[Excerpts] A provincial meeting on propaganda and ideological work was held in Nanjing on 4 March.

The meeting, sponsored by the provincial CPC committee, was an important one because it concerned all aspects of our work in the province. Major topics and tasks discussed at the meeting included how to convey

and carry out the guiding spirit of the national meeting on propaganda and ideological work by adhering to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and the basic line of the party; how to strengthen and improve propaganda and ideological work under the new situation in accordance with the principle of paying equal attention to both material and spiritual civilization construction; and how to make concrete plans for carrying out propaganda and ideological work across the province.

Attending yesterday morning's meeting were leading comrades of the provincial CPC committee including Chen Huanyou, Sun Jiazheng, Cao Hongming, Cao Keming, Xu Zhonglin, Zheng Bingqing, Ji Yunshi, Yu Xingde, and Wang Xialin. Leading comrades of the provincial people's congress, government, and provincial Chinese People's Political Consultative Conference, including Gao Dezheng, Zhang Huaxi, and Duan Xushen as well as responsible persons of the provincial government's relevant departments including Liang Baohua and Liu Jian also attended the meeting.

Sun Jiazheng, deputy secretary of the provincial CPC committee, conveyed the guiding spirit of the national meeting on propaganda and ideological work and the important speech made by General Secretary Jiang Zemin at the national meeting on propaganda and ideological work. Wang Xialin, standing committee member and head of the provincial CPC committee's propaganda department, presided over the meeting.

Chen Huanyou's report was in three parts: first, to have a clear understanding of the overall situation, unify ideology, and further define the extreme importance of propaganda and ideological work; second, to conscientiously carry out various tasks concerning propaganda and ideological work by firmly upholding the theory of building socialism with Chinese characteristics; and third, to adhere to the principle of paying equal attention to both material and spiritual civilization construction as well as to strengthen and improve the party's leadership over propaganda work.

During his speech, Chen Huanyou emphasized the extreme importance of propaganda and ideological work, and affirmed the results achieved in our propaganda and ideological work. He said: Since the Third Plenary Session of the 11th CPC Central Committee, Jiangsu has persisted in centering its propaganda and ideological work around economic development. All other work in Jiangsu has been subject to and served the party's central task. We have persisted in the correct orientation of public opinion and paid attention to improving the front and facilities for propaganda and ideological work. We have effectively carried out propaganda work as well as ideological and political work. We have continuously met the people's needs in their cultural life by producing fine spiritual products. [passage omitted]

While talking about how to conscientiously carry out various propaganda and ideological tasks, Chen Huanyou said: The most important and urgent task for the propaganda and ideological front lies in adhering to the principle of arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. [passage omitted]

In conclusion, Chen Huanyou said: The propaganda and ideological work is faced with an arduous mission and the provincial CPC committee has a great hope for propaganda and ideological workers across the province. He expressed his hopes that all comrades will further boost their spirit and carry out their work creatively so as to make even greater contributions to the reform, development, stability, and all-round progress in Jiangsu. [passage omitted]

Wei Jingsheng Detained Upon Return to Beijing

Police Force Dissident From Car

OW0104123694 Tokyo KYODO in English 1221 GMT
1 Apr 94

[Text] Beijing, April 1 KYODO—China's most famous dissident Wei Jingsheng was detained for yet another time Friday [1 April] while returning to Beijing, his secretary said.

Wei was coming from the port city of Tianjin when at least seven police vehicles stopped the car he was riding in and took him away, his secretary, who was riding with him, said.

Police showed Wei a "summons and investigation warrant" before taking him off, the secretary said in describing the incident which occurred about 5:00 p.m. [0900 GMT] Beijing time.

Wei was returning from what is believed to have been a forced exile after being detained in early March, several days before U.S. Secretary of State Warren Christopher arrived in Beijing to press China's communist leaders for progress in human rights.

The dissident, who became famous for his publications and imprisonment during the democracy wall period in the late 1970s, was released on parole last September 15, days before the International Olympic Committee (IOC) voted on what city was to hold the 2000 Olympics.

Many surmised his release was a cynical move by Beijing to attempt to polish its human rights image for IOC voters, while using its political dissidents as hostages.

Wei was jailed for "counterrevolutionary propaganda and incitement" 15 years ago March 29, which was also the date on which his parole was to end.

However he had also been deprived of his political rights for three years following his release. Deprivation of civil rights for varying periods is among China's punishments.

The Chinese Foreign Ministry confirmed Thursday that despite the termination of his parole, Wei is not allowed to give interviews to foreign journalists.

The ministry refused to clarify under which law such a restriction is stipulated, although it stressed that China has "a rule of law."

Theoretically a "summons and investigation warrant" allows for the detention of citizens for up to three days.

Wei incensed Chinese leaders when he met U.S. Assistant Secretary of State for Human Rights John Shattuck at Shattuck's request two weeks before the Christopher visit and said the U.S. should continue to link trade with progress in human rights.

The United States has tied the renewal of China's most-favored-nation (MFN) trading status, which facilitates billions of dollars in bilateral trade, to progress on the rights front.

Wei, similarly incensed paramount leader Deng Xiaoping in 1978 when he called democracy China's "fifth modernization," at a time when Deng was pushing the "four modernizations"—of agriculture, industry, defense and science—in his attempt to rebuild China after the disastrous 10-year cultural revolution.

Deng reportedly personally ordered Wei's arrest at that time, saying, "arrest Wei Jingsheng and never let him go."

Secretary Hopeful of Early Release

HK0204042494 Hong Kong AFP in English 0352 GMT
2 Apr 94

[Text] Beijing, 2 April (AFP)—China's leading dissident Wei Jingsheng has been detained by police for the second time in a month while attempting to return to Beijing from the nearby city of Tianjin, a friend of Wei's said Saturday. Wei's car, in which he was travelling with his secretary Tong Yi, was stopped by police Friday afternoon on its way to the capital, the friend said, adding that Wei was removed from the car and driven away. [passage omitted]

Wei's secretary, Tong Yi, said Saturday that she "hoped" he would be released after 24 hours as happened after his previous detention one month ago. "But it is possible that the police would renew his detention for another 24 hours," she said, adding she did not know where the dissident was being held. She said Wei was detained around 5:00 p.m. (0900 GMT) on the road from Tianjin to Beijing, about 20 km (12 miles) southeast of the capital.

Another friend of Wei's confirmed he had received a telephone call from him Friday morning, informing him that the dissident planned to return to Beijing during the day.

'Unable To Confirm' Release

HK0304023694 Hong Kong AFP in English 0213 GMT
3 Apr 94

[Excerpt] Beijing, April 3 (AFP)—The whereabouts of China's leading dissident, Wei Jingsheng, were unclear Sunday [3 April], with his secretary unable to confirm an official report that he had been released from police detention. According to the official Xinhua news agency, Wei was released shortly after being picked up and questioned by police Friday as he was attempting to return to Beijing from the nearby port city of Tianjin.

"The Beijing Municipal Public Security Bureau summoned Wei Jingsheng and had a talk with him yesterday," Xinhua said in a brief dispatch late Saturday. "Wei left the bureau immediately afterwards," it added. The dispatch gave no reason for Wei's detention and no indication as to his present circumstances.

However, Wei's secretary Tong Yi, who was travelling in the same car as the 43-year-old dissident when he was stopped and detained on the outskirts of Beijing, said Sunday that she was unaware of his release. "I have not seen him and he hasn't called me," Tong said by telephone, adding that she had no idea of his whereabouts.

The secretary had earlier said that she hoped Wei would be released after 24 hours, as happened when he was detained during a police sweep of at least 15 dissidents in Shanghai and Beijing in early March. Following his release at that time, Wei left Beijing on March 6, for what his secretary said was a period of recuperation, and had not attempted to return to the capital until Friday. [passage omitted]

Wei 'Violated' Parole

OW0404100694 Tokyo KYODO in English 0927 GMT
4 Apr 94

[Text] Beijing, April 4 KYODO—Dissident Wei Jingsheng has violated the conditions of his parole and is being investigated by Chinese security departments, a Foreign Ministry spokesman said Monday [4 April].

"Wei Jingsheng, during the period of his parole and deprivation of his political rights, has violated the concerned regulations, and the public security organs have the right to investigate him according to the law," the spokesman said.

The statement came days after Wei was detained by police while returning to Beijing following a forced exile from the capital, which coincided with a visit by U.S. Secretary of State Warren Christopher and the meeting of China's National People's Congress.

Wei, the godfather of China's pro-democracy movement, was detained in early March after meeting with U.S. Undersecretary of State John Shattuck and expressing his view that the United States should continue to pressure China on human rights issues.

The meeting reportedly infuriated China's dictatorial leaders who has viewed Wei as a menace to their authority since he called for greater democracy in the late 1970s.

On Saturday, Xinhua News Agency reported that Wei "had a talk" with Beijing police and "left the bureau immediately afterwards," but on Monday the dissident's family and friends had no clue as to his whereabouts and under what pretext he was taken away.

Wei was released last September, seven months short of a 15-year term, in what was widely regarded as a cynical human rights gesture aimed at influencing the International Olympic Committee into selecting Beijing as the host for the 2000 Olympic games.

His parole was to last until March 29, the original date of his release, while his political rights will continue to be withheld for three years.

Since his release, Wei has been hounded by the police and told to refrain from being interviewed by foreign journalists and writing essays for the foreign press.

Last year, Wei, who steadfastly maintained his innocence throughout his 15-year ordeal, was a cowinner with Nelson Mandela of the Gleitsman Foundation international activist award.

Hong Kong Reporter Given 12-Year Sentence

MING PAO Sends Reps To Inquire

HK0104150894 Hong Kong RTHK Radio One in Cantonese 1430 GMT 1 Apr 94

[Text] This station has learned that MING PAO reporter Xi Yang has been sentenced to 12 years' imprisonment.

A Beijing court official confirmed that the trial of Xi Yang, who was accused of stealing and gathering state financial secrets, has already wound up. However, the authorities have not yet officially made public the result of the trial.

On the other hand, the MING PAO hierarchy has already sent representatives to Beijing to inquire about the latest developments.

Nevertheless, up to now, the above report has not been confirmed by the authorities.

Further on Sentencing

HK0204082094 Hong Kong HSIN PAO in Chinese 2 Apr 94 p 1

[Report: "Xi Yang Sentenced to 12 Years Imprisonment"]

[Text] The Beijing Municipal Intermediate People's Court confirmed yesterday that the case wherein MING PAO reporter Xi Yang was charged with stealing and prying out state financial secrets had been wound up.

According to information not yet officially confirmed, Xi Yang has been sentenced to 12 years imprisonment. Chang Chien-po, executive chief editor of MING PAO, and Chang Hsi-hung, senior editor of the MING PAO China Page, left for Beijing yesterday to find out what has happened. The Hong Kong Government will also make enquiries about the latest development in the Xi Yang case through the British Embassy in China.

An official from the Beijing Municipal Intermediate People's Court confirmed that the case of MING PAO reporter Xi Yang was already wound up but he refused to disclose the ruling in the case.

However, information obtained by a HSIN PAO reporter which has not yet been officially confirmed disclosed that Xi Yang had been sentenced to 12 years imprisonment.

The MING PAO Editorial Department issued a statement yesterday evening saying that after making enquiries in various quarters, MING PAO is still not able to confirm the information that Xi Yang had been sentenced to imprisonment. Chang Chien-po, executive chief editor of MING PAO, and Chang Hsi-hung, senior editor of the China Page of MING PAO, left for Beijing at noon yesterday to find out what has happened but have not yet had confirmation from the authorities on Xi Yang's imprisonment.

The statement says that Chang Chien-po and Chang Hsi-hung will use the time and endeavor to find out as soon as possible the latest development in the case.

However, Chang Chien-po and Chang Hsi-hung did not meet Hong Kong reporters who were gathering information in Beijing yesterday evening. Even MING PAO reporters who were in Beijing were not able to get in touch with them. The whereabouts of the two in Beijing are a mystery.

It has been learned that, today, they will once again make inquiries at the Beijing court about Xi Yang's case and will meet some personalities to seek help.

Reporter's Family Notified

HK0304052294 Hong Kong MING PAO in Chinese 3 Apr 94 p b1

[Text] MING PAO officers have indicated that the relatives of MING PAO reporter Xi Yang have already been notified by an official from the Beijing Municipal People's Court that the first hearing of Xi Yang's case concluded on 28 March and he has been sentenced.

Because the notice was made verbally and the official did not present any written statement or docket, the two MING PAO officers remained in Beijing and made great efforts to get in touch with the relevant authorities to verify the information.

Xi Yang's relatives received a telephone call from a court official early in the morning of 1 April, and they were informed that the first hearing of Xi Yang's case of stealing and gathering state secrets had concluded and he had been sentenced. This paper immediately sent men to Beijing to learn more about the situation. Because it was the weekend, the relevant court officials were not in their offices. That being the case, the verbal notice still has not been verified by the authorities.

Chang Chien-po, MING PAO executive chief editor, and Chang Hsi-hong, senior editor of the China page, contacted lawyers in the hinterland yesterday to learn more about the possibility of filing an appeal for Xi Yang's case. Chang Chien-po said: "When I met with Xi Yang's relatives the day before yesterday, they indicated that they were also thinking of consulting a lawyer. We will do our best to find a lawyer for Xi Yang's relatives. To our knowledge, under current Chinese law, Xi Yang's relatives may consult a lawyer, but we can only offer assistance from behind the scenes."

Court Confirms Sentence

HK0404043594 Hong Kong AFP in English 0410 GMT
4 Apr 94

[Text] Beijing, April 4 (AFP)—Hong Kong journalist Xi Yang has been sentenced to 12 years imprisonment for spying and stealing state secrets, a spokeswoman for the Beijing Intermediate Court said Monday [4 April]. "Xi Yang was sentenced on March 28 to 12 years imprisonment and deprived of political rights for two years," the spokeswoman said, adding that Xi had already lodged an appeal with the Beijing Higher People's Court.

A mainland-born journalist working for the Chinese-language MING PAO DAILY NEWS, Xi was detained in September and charged with "espionage regarding state secrets on banking." Xi had worked here for the semi-official CHINA NEWS SERVICE before moving to Hong Kong two years ago. He is a Chinese national and subject to Chinese laws.

Formally announcing his arrest on October 7, state-run television said an employee of the central People's Bank of China, identified as Tian Ye, had supplied Xi with a "large quantity" of secret financial information, including unpublished policy decisions on bank rates and international gold trading.

Compact Disc of Zhou Enlai Speeches Released

OW0104140694

[Editorial Report] Beijing XINHUA Domestic Service in Chinese at 1026 GMT on 2 March carries a 1,026-character "feature" entitled: "Everlasting Memory—Sidelights on a Ceremony Marking the Publishing of Compact Disc, 'Voice of a Giant—Zhou Enlai.'"

According to the report, a ceremony was held at the Great Hall of the People in Beijing on 2 March to mark the release of a compact disc of Zhou Enlai's speeches.

Song Ping, Huang Hua, Chen Xilian, Deng Liqun, Wang Guangying, Cheng Siyuan, Li Peiyao, and Wu Jieping were present. They heard a playback of a toast speech given by Zhou Enlai at the National Day reception in 1974 marking the republic's 25th founding anniversary, and portions of a government work report Zhou delivered on 13 January 1975 to the First Session of the Fourth National People's Congress. Wang Guangying and Wu Jieping, both chairmen of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and the latter was also Zhou's doctor in his final days, recalled how great a man Zhou was.

Ye Huaming, board director and general manager of the Xianke Enterprise Group in Shenzhen, told the meeting that his company will release "Voice of a Giant—Deng Xiaoping" on the eve of the 45th anniversary of the PRC's founding this year. The company also plans to release recordings of speeches by other proletarian revolutionaries of the older generation including Liu Shaoqi, Zhu De, and Dr. Sun Yat-sen.

Public Security Minister Urges Anticorruption Work

OW0104124094 Beijing XINHUA Domestic Service in Chinese 1112 GMT 31 Mar 94

[Text] Beijing, 31 Mar (XINHUA)—Speaking at a just-concluded national conference of secretaries of discipline inspection commissions of public security departments and bureaus, Public Security Minister Tao Siju stressed: The in-depth struggle against corruption launched by public security organs is extremely important, because it affects the overall situation of safeguarding reform, development, and stability. He urged public security organs to enhance their awareness, have a clear idea on what is important, vigorously carry out preparatory work to truly deepen the struggle and produce new results. He urged them to nurture a strong force to accomplish the arduous task of defending reform and opening up, and of safeguarding stability.

Tao Siju said: Since the second plenary session of the Central Discipline Inspection Commission last August, the Ministry of Public Security, under the leadership of the party Central Committee and the State Council; and public security organs in various provinces, autonomous regions, and municipalities, under the leadership of their local party committees and governments, have attached great importance to the anti-corruption struggle. With a strong determination, they swiftly swing into action. Thanks to the effective measures and a tremendous amount of work performed, they have achieved varying degrees of success in attaining the interim goals established by the Ministry of Public Security party committee on the basis of the three tasks set by the central authorities. Leading cadres at the departmental level and above, and county and city (district) public security directors and commissioners have generally carried out internal investigation and rectification, and have

enhanced self-discipline and integrity. Discipline was strictly enforced, and a number of cases of violation of law and discipline were earnestly investigated and dealt with. The unhealthy practice of public security organs in coastal areas taking part in smuggling and shielding smugglers has been effectively curbed. The unhealthy practice of wanton collection of fees has basically stopped. The question of public security organs going into business and setting up enterprises has been initially resolved. The practice of unfairness in enforcing the law, of breaking the law to seek personal gain, and of imposing fines instead of criminal punishment has been effectively checked. Tao Siju continued: Under no circumstances should we overestimate our recent achievement in combating corruption, nor should we take problems existing in our ranks lightly. We must not ignore the serious problems in our ranks simply because our ranks are good in general. If our ranks become corrupt, it would seriously damage our party and government images. In addition, we will not be able to discharge the heavy responsibility of safeguarding stability and we may even endanger stability. Public security organs shoulder a heavy responsibility in combating corruption; we must remain sober-minded.

Tao Siju pointed out: Public Security organs must wage the struggle against corruption with reference to their characteristics and give due emphasis to important issues. They must give top priority to and earnestly investigate such abuses in the law enforcement process as breaking the law to embezzle money for personal gain, extorting confessions by torture, and abusing their power for personal gain in issuing licenses, certificates, and household registration cards. Efforts should be made to investigate cases of serious violation of law and discipline involving leading organs, leading cadres, and police cadres and men.

Tao Siju stressed: Public security organs must strengthen leadership and establish a system of leadership responsibility in deepening the struggle against corruption. Beginning from the Ministry of Public Security, every public security organ shall be responsible for their subordinate agencies and report to their superior. Leading cadres at each level must attend to the building of the public security ranks while taking care of their work. We must strengthen management awareness and have the courage to enforce strict discipline in public security units. Leaders who pay no attention to the building of the ranks are not qualified to serve as leaders. When problems occur in the ranks, leaders concerned, as well as the parties involved, will be held accountable. To carry out the struggle against corruption, we must strengthen the building of a clean government on a long-term basis. This requires education and the establishment of a system. Public security organs at all levels must continue to educate police cadres and men to establish the goal of serving the people wholeheartedly and to educate them in the mass and legal concepts. At the same time, it is necessary to strengthen rules and

regulations and establish a sound supervision mechanism. It is particularly necessary to vigorously establish systems.

Tao Siju concluded by asking public security organs' discipline inspection and supervision departments, as well as administrative departments, to strengthen work and create a situation in which everyone is involved in comprehensively improving public security, and successfully carrying out the struggle against corruption.

Circular on Returning Students, Residence Registration

OW0304232794 Beijing XINHUA Domestic Service in Chinese 0805 GMT 18 Mar 94

[Text] Beijing, 18 Mar (XINHUA)—The Ministry of Public Security issued a circular the other day on residence registration of people returning home after studying abroad.

The circular notes: Since China started implementing the policy of reform and opening up, exchanges with the outside world have increased and more and more people are going abroad to pursue their studies, either on government or their own expense. This has had a positive impact in promoting domestic economic development and advancing China's cultural, scientific, and technological exchanges with countries of the world. To broaden the appeal to skilled personnel and promote rational mobility, the circular urges public security departments to simplify procedures for people returning home from studies abroad to file for residence registration.

The circular provides that when a person returning home from study abroad applies to have his residence restored in the location where he formerly kept residence registration, the police station should, upon examining his passport, restore his canceled residence registration. Where a person files for residence registration with another police station within the same city or county, the police station in the location where the person wants to move in should accept his application after examining his passport and a residence registration cancellation certificate issued by the police station in the locality where the person used to live. Where a person needs to settle down and work in another city or county, he should—with documents issued by the State Education Commission and the Ministry of Personnel—file for residence registration with the police station in the location where his employing unit resides. A person who has obtained a doctoral degree, or has been assigned to a key state project, to a state-owned large- or medium-sized enterprise, or to remote border region where conditions are tough, should have relevant documents issued by a personnel department at the provincial level or higher and a certificate on change of household registration; he may also apply for change of residence for his family members and under-age children. The circular also readjusts the time limit for canceling residence registration. Students who go abroad for studies

for less than one year need only complete their exit registration, and do not need to cancel their residence registration.

Spokesman Views 'Phony' State Security Officials

OW0104125694 Beijing XINHUA Domestic Service in Chinese 1119 GMT 31 Mar 94

[Excerpts] Beijing, 31 Mar (XINHUA)—According to the spokesman of the Ministry of State Security, since the "State Security Law" was promulgated, the broad masses have become more conscious of state security and have actively supported and cooperated with state security organs in carrying out their work. He said: However, some lawless elements, posing as workers of state security organs, have swindled and bluffed the public, tarnishing the image and reputation of state security organs. Recently, more than 10 criminal cases of this nature have been investigated in a certain city alone, and a number of lawless elements have been brought to justice.

Judging from the investigated cases, the main purpose of these lawless elements posing as state security personnel was to swindle money without being brought to justice. [passage omitted]

The spokesman pointed out: This kind of case of posing as state security personnel for swindling purposes recently has been uncovered in various localities, and all of them were made known to the public and handled in a timely manner. These lawless elements were not skillful swindlers; they could have easily been identified if we stayed alert and were familiar with relevant laws and regulations. Although state security personnel are authorized to exercise necessary authority pertaining to their jobs while performing their duties, they are required to do things strictly according to law, and use their authority correctly under any circumstances; under no circumstances are they allowed to overstep their authority or abuse their powers. The Ministry of State Security recently unveiled its standardized "investigation badge," which is applicable across the country. One of the purposes of using this investigation badge is to enable the public to distinguish real state security personnel from phony ones, and to enable the public to more effectively exercise supervision over state security personnel using their authority.

The spokesman stressed: If anyone is found to have committed illegal or criminal acts using the name of a state security organ or personnel, the public should promptly report this to a local state security organ. State security organs, together with concerned departments, will punish strictly according to law criminal elements using the name of a state security organ to swindle. Every case will be properly handled as soon as it is uncovered—we will not show mercy. State security personnel themselves also will be seriously dealt with if they are found to have committed illegal acts or acts in violation of discipline.

'Snakeheads' Running Illegal Immigrant Trade

HK0304062694 Hong Kong THE SUNDAY STANDARD in English 3 Apr 94 p 1

[By Mark Bode]

[Text] Chinese snakeheads have taken over the illegal immigrant trade from their Hong Kong counterparts and are ferrying thousands of mainlanders into Hong Kong by sea. Marine Police South Division commander at Aberdeen John Cox said importing illegals was big business for snakeheads, but the involvement of Hong Kong residents in the practice had died down dramatically.

"Hong Kong people were heavily involved in the smuggling of illegals [illegal immigrants] here in the 1980s but we haven't arrested a Hong Kong person in connection with this sort of thing in a long time," Mr Cox said. He said the preferred smuggling route now seemed to be by sea.

Last year, police arrested 21,003 illegals arriving by boat, compared with 12,373 using overland routes. In 1992, 17,891 were arrested arriving by sea and 15,812 by land. In 1991, only 10,023 were arrested arriving by sea and 14,066 by land.

Mr Cox said Hong Kong smugglers had virtually abandoned the illegal immigrant trade in favour of smuggling electrical products, which were much more profitable. "I don't know what the Chinese officials are doing to combat snakeheads, but it's hard for us to do anything about them."

Last year, 37,517 illegal immigrants were arrested—an increase of more than 5 per cent on the 35,645 illegals arrested in 1992. Police said the arrests reflected a small percentage of illegals entering the territory.

Crime, Punishment Report for 15-28 Mar

HK0104154894

[Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencing, and other judicial-related activities in the PRC monitored by Hong Kong Bureau during the period 15-28 March. The source and mode of processing are given in parentheses at the end of each entry. Certain reports deemed more significant may have been filed separately, in which case the summary will include the serial number of the separately filed item.

As evidenced by the stories listed below, during the month PRC crime reportage focused on no single issue.

INTERNATIONAL

In the Russian city of Grodekovo, 20 km from Suifenhe in Heilongjiang Province, about 3,000 Chinese do business in the peak season. Four gangs can be identified among them, namely the "Harbin group," the "Wuchang group," the "Yanji group," and the "Hunchun group," which prey on their compatriots and extort money from

them. On 22 September 1993, the head of the criminal investigation section of the provincial public security bureau led 16 criminal investigation detectives to Grodekovo, with the consent of the Russian side. As a result of the joint operation by Chinese and Russian police, 40 persons who had committed crimes outside the border were arrested. (Summary) (Hong Kong WEN WEI PO in Chinese 20 Mar 94 p b4)

Since the normalization of Sino-Vietnamese relations, border trade has developed rapidly, while transnational crime such as drug and gun trafficking have also become more rampant. Since last June, the People's Armed Police Guangxi Border Detachment has mainly cracked down on guns and drugs. In half a year, they have cracked 152 drug and gun cases; seized 1,463 guns of various kinds, including 217 army guns, 7,179 rounds of ammunition, and 418 hand grenades and antitank grenades; seized 69,037 grams of opium and 7,099.4 grams of heroin; crushed 49 gangs specialized in gun and drug trafficking; and arrested 239 criminals involved in gun and drug crimes. Guangxi party Deputy Secretary Ding Tingmo said that Guangxi has a coastline of over 2,000 km, and that the crackdown on transnational crimes along the border will be a long-term task. (Summary) (Hong Kong WEN WEI PO in Chinese 14 Mar 94 p b2)

Senior Colonel Si Jiuyi, National People's Congress deputy and commander of the Yunnan Armed Police Corps, in an exclusive interview with a ZHONGGUO XINWEN SHE staff reporter on 21 March, said that in 1993 armed police and public security authorities in Yunnan cracked over 4,000 drug cases, 27 of which were cases of armed drug trafficking; seized five tonnes of heroin and opium; and arrested over 6,000 criminals, 473 being sentenced to death. He said that the drug problem is still very serious in Yunnan. Trafficking is showing an upward trend, and the following new developments have been observed:

- A rise in major drug trafficking cases. After making some money, drug traffickers tend to try making colossal profits by engaging in transactions involving 100 kg, 200 kg, or more.
- A steady growth in armed drug trafficking. Last year, Yunnan police seized a total of 33 military firearms, 13 other firearms, and 50 hand grenades.
- Better organized means of trafficking. Drug trafficking using cars and motorcycles is no longer a novelty. Criminals use mobile phones and walkie-talkies to communicate with one another and transport drugs through such methods as relaying or sending traffickers and drugs separately.
- An increase in sources of drugs. Drugs used to come only from the Golden Triangle, but are now infiltrating into China from Laos and Vietnam. Last year, Yunnan's border towns Honghe and Wenshan cracked over 200 drug cases originating from Laos and Vietnam.

—An increase in drug traffickers from other provinces. Last year, Yunnan police arrested nearly 900 drug traffickers from other provinces, and the number of provinces and autonomous regions they came from increased from 22 the previous year to 27. Most active were drug traffickers from Sichuan, Zhejiang, Ningxia, Qinghai, Gansu, and Xinjiang.

Si Jiuyi explained that as Yunnan borders on Vietnam, Burma, and Laos, the residents in the border areas share customs and languages with those three countries, and the border markers are not very clear, posing enormous difficulty for antinarcotics operations. Drug traffickers have such slogans as "You can execute me, but my future generations will benefit" or "I may stay in jail for a while, but I will enjoy prosperity for the rest of my life." Criminal organizations give pensions to the families of arrested or executed drug traffickers. Another problem is that antinarcotics operations are short of funds and manpower and suffer from backward equipment. In one case, a drug-fighting unit leader had to chase a criminal by bicycle. In the end, the criminal got away in a car.

Si Jiuyi said that the Yunnan Armed Police have steadily increased the number of cases cracked over the years. Many armed policemen have received awards. Two of China's 10 Young People of the Year were antinarcotics heroes from Yunnan. Over 20 members of the Yunnan Armed Police were killed in antinarcotics battles over the past few years. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 0701 GMT 21 Mar 94) (filed as hk2903092194)

Officials in charge of public security departments in 11 provinces, municipalities and autonomous regions, including Beijing, Tianjin, Liaoning and Shanghai, gathered in Shanghai to discuss with representatives from the Hong Kong police force the fight against organized crime committed by triads. The meeting was held amid the budding of some Hong Kong underground groups in the Mainland. Participants believed that the strengthening of cooperation between Mainland and Hong Kong police was necessary. The director of the Criminal Investigation Bureau of the Ministry of Public Security stressed that underground forces from outside the borders were in no way sheltered in the mainland. All members of illegal groups were harshly punished in accordance with the law once they were found guilty of committing crimes inside the Mainland. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1140 GMT 17 Mar 94) (filed as hk1703145194)

CENTRAL

A spokesman of the Ministry of Public Security said that in 1993 public security organs handled 1.617 million criminal cases and cracked 1.212 million which occurred in the same year, up by 2.2 and 12.3 percent over 1992. Over 290,000 cases which had occurred before 1993 were also solved.

Among the 1.61 million criminal cases handled by public security organs in 1993, 539,000 were major and serious

ones, an 18 percent increase over 1992. Of the major and serious cases, 302,000 robbery cases involved amounts of 2,000 yuan and above, 20.2 percent up over 1992, while the number of major cases cracked which occurred in the same year rose to 370,000, a 23.4 percent increase.

The spokesman said that the security situation remains grim in a handful of cities and counties, where murders, robberies, and "highway and railway looting" are happening all the time. (Summary) (Beijing FAZHI RIBAO in Chinese 23 Feb 94 p 1) (filed as hk1703141194)

The state council recently promulgated regulations on the protection of computer systems. They apply to all systems in the country, covering construction of buildings for computers, the putting on record of connections of systems with overseas entities, a unified practice for prevention of viruses and other data related to viruses, and the issuing of permits for the exclusive sale of antivirus safety products.

There are up to 500,000 computer systems in China. Computer crime is rising, with a single case involving 14 million yuan.

Around 70 to 80 percent of 400,000 computers across the country have been infected once with a virus. Some scientific research institutes and higher learning institutes have had all their computers infected. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 0352 GMT 19 Mar 94)

PROVINCIAL

Anhui

Anhui's campaigns against serious crime in recent years have seen 6,300 big cases discovered, over 20,000 criminals caught, and more than 3,400 gangs smashed. There were campaigns against stealing in Hefei City, against possession of tools and weapons for criminal purposes in Huainan City, and, together with Jiangsu, Shandong and Henan, against crimes along the Chiang Jiang. In fighting road robberies, 3,615 criminals were arrested and 606 criminal rings destroyed. In the struggle against the abduction of women and children, 26 criminal dens were destroyed, 422 abductors arrested, and 660 women and children freed. The Ministry of Public Security and the All-China Women's Federation cited Anhui on several occasions for its notable achievements. Severe punishment has resulted in social order being much improved, promoting reform and opening up and economic development. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 0351 GMT 19 Mar 94)

Guangdong

At the 6 March provincial work meeting for chief procurators at provincial and city levels, the chief procurator emphasized continuing to focus on major cases. The key to the anticorruption struggle would be continuously

dealing with cases involving workers of party and government organizations and judicial, administrative, law-enforcement, and economic administrative departments.

In January procuratorate organizations filed 235 economic criminal cases involving corruption and bribery for investigation, of which 190 were major cases, accounting for 80.6 percent of all cases filed and involving a total of 6.42 million yuan. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 7 Mar 94)

On 18 March, 90 persons in charge of the Army, Navy, and Air Force units in Guangzhou; the People's Armed Police; and public security organs attending the forum on managing servicemen and Army vehicles in Guangzhou inspected passing Army vehicles. Guangzhou Railway Station was the first stop in the move to crack down on "bogus Army vehicles, bogus Army car plates, and bogus documents" by Guangzhou Military Region. Four or five bogus Army vehicles were found. All the owners were outsiders pretending to be servicemen to solicit customers. A coach driver shouted for customers in the name of "a hostel run by Guangdong Military Command," but he was seeking customers for Tangxi Hotel. In Tianhe District a black Lexus car was stopped, and the "bogus lieutenant" admitted that he was with a taxation bureau. The inspection teams found six bogus Army vehicles in Guangzhou Railway Station, Guangzhou Boulevard, and Guangyuan Road East. Eleven bogus soldiers were found, four overloaded Army vehicles were detected, and six Army trucks could not produce sufficient documents. (Summary) (Hong Kong WEN WEI PO in Chinese 20 Mar 94 p a5)

Last year Guangzhou City police seized 145.3 kg of heroin and over 3.9 kg of "ice" and investigated and punished over 6,500 people involved in drug trafficking and drug abuse.

Guangzhou City Public Security Bureau seized 1,425 guns of various kinds (of which 57 were designed for military use) and 3,237 bullets last year.

Last year, more than 32,000 people in Guangzhou were involved in gambling and were punished, and more than 9,700 people were investigated for being involved in prostitution, patronizing prostitutes, procuring prostitutes, and harboring prostitutes.

The total value of goods and money confiscated by the Guangzhou police in criminal cases amounted to more than 310 million yuan.

A Guangzhou City Public Security Bureau report said that the social order situation in Guangzhou remains quite grim. The number of serious criminal cases is increasing steadily, the damage resulting from organized crime is increasing day by day, and some criminal gangs are becoming underworld societies. Manifestations of the "seven vices" rise and fall. Road and fire accidents occur frequently.

The number of cases of missing cars is increasing. Last year, 965 cars and more than 6,600 motor cycles were stolen in Guangzhou.

This year the Guangzhou police will make great efforts to improve Guangzhou's social order and will curb the momentum in the rising number of major and serious cases, will send more policemen to patrol the streets, will arm traffic policemen so that they can take care of both traffic and social order, and will strengthen the management of people from other localities and mobilize the residents to set up "small security zones" to promote the comprehensive improvement of social order. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0540 GMT 14 Mar 94) (filed as hk2403063494)

This morning, the Guangzhou City Intermediate People's Court announced the execution of six criminals whose death sentences and life-long deprivation of political rights had been confirmed by the provincial higher people's court. The six convicted drug traffickers were taken to an execution ground and shot in the head. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 18 Mar 94) (filed as hk3003123294)

The Shenzhen Work Conference on the Anticorruption Struggle and Maintaining Clean Government called on 19 March revealed that in recent years Shenzhen has rounded up 43 criminals who had embezzled huge sums of money, and absconded overseas, outside the border, and in the hinterland, in addition to five criminals who surrendered themselves. Among those criminals rounded up were Wen Shibin, former Shenzhen Haicheng Company manager, who had embezzled a huge sum of tax from the state, and absconded for three years. His was the most serious case, involving embezzlement of some 100 million yuan of tax in addition to smuggling goods worth scores of millions of yuan. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 19 Mar 94)

Public security organs in Shenzhen's Baoan District cracked a firearms-smuggling and robbery gang on 18 March, putting 10 suspects under arrest. They also seized a 0.54-caliber pistol with 17 bullets and eight riot guns with 230 bullets. Initial investigations show that the gang came from Guangxi and specialized in firearms smuggling and trafficking. (Summary) (Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0510 GMT 19 Mar 94)

Shenzhen Airport Public Security Sub-Bureau recently found a stun gun on a passenger, the 26th case of a boarding passenger armed with gun since January. The passenger was head of the security team of a company. The state has repeatedly instructed clearly that no passenger, including servicemen on active service and in-service policemen, is allowed to board a plane with police equipment or sharp objects, except those who

have permission from the special department of the state. (Summary) (Hong Kong WEN WEI PO in Chinese 22 Mar 94 p a5)

In January and February 263 car thefts were reported in Shenzhen, 11.4 percent up on the same period last year. Last year the economic loss from such thefts was 430 million yuan. Reasons for the increase include the authorities failing to act firmly enough, with few cases being dealt with, and criminals often inviting robbers from Hong Kong to commit such crimes. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1402 GMT 25 Mar 94)

On 30 March, Shenzhen's Futian District Court sentenced a man to 18 months imprisonment for evading some 70,000 yuan of taxes in addition to fining him 5,000 yuan and having him repay the evaded taxes. The man was an individual entrepreneur. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1409 GMT 30 Mar 94)

Jiangxi

On 15 January, the public security bureau of Jiangxi's Xinjian County intercepted cigarettes worth over 770,000 yuan being transported by a private business operator. The victim took legal action against the bureau with Nanchang City Intermediate Court on 20 January. On 29 March, the court passed a verdict demanding that the bureau pay 55,813.89 yuan in compensation. (Summary) (Hong Kong LIEN HO PAO in Chinese 31 Mar 94 p 10)

Sichuan

At an open judgment pronouncement meeting on 18 March, the Chongqing City Intermediate People's Court sentenced Liu Feng to death and deprived him of political rights for life. On 27 April last year, after his courtship was rejected by his senior middle school classmate, Liu Feng poured a bottle of sulfuric acid on her face, seriously burning her face and body, and stabbed her in the back, leaving her permanently disabled. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 0930 GMT 18 Mar 94)

Benefits of Birth Control Program Noted

OW0204153294 Beijing XINHUA in English 1430 GMT 2 Apr 94

[Text] Weihai, April 2 (XINHUA)—Long Na, a villager in the Rongcheng city area in Shandong Province, is proud of her only daughter, for the teenager has done well both in school and in after-school training such as piano and calligraphy.

Long is one of over 5,400 rural women in the region who refuse to have a second child in this rich city on the eastern tip of China.

The city has been in the forefront of China's "family planning" campaign since the government spread the message throughout the country ten years ago.

The city's mayor, Lin Lexin, said that in 1993 the major indexes of population development, including the natural growth rate of 1.31 per thousand, were all lower than the national average. On the other hand, the average life expectancy of 74.6 years was as long as that in developed countries.

So far, about 70 percent of the rural areas under the city's administration have seen a drop in population growth.

Lin said its successful birth control has paid off in many areas.

Last year, the city, with a population of less than 800,000, registered 2,005 yuan in annual per capita income, jumping to the leading place among the cities of similar size in north China.

Lin said that he imagined that the city would not have achieved that if it had had an extra 400,000 mouths to feed. That number is calculated on the supposition that the population had kept growing at the same pace as it was doing before enforcing family planning.

Long and her husband are living in a three-storey building. They earned 15,000 yuan last year.

"Men no longer look down upon us, because we women earn bread and butter to support the family as they do. And we also get self-confidence in our work," said Long, who is now employed as an accountant in a township enterprise.

In 1993, 98 percent of local women were working in various spheres.

Experts considered that the local residents have broken with the old concept which looked to offsprings for support in their old age.

A recent sample survey shows that 35 percent of women of child-bearing age intend to have only one child, and 80 percent of households welcome girl babies as well as boy babies.

A population of reasonable size also results in better education. Last year, 99 percent of primary-school-age children studied in classrooms. The rate of those passing higher education entrance exams is in the top ranks in the country.

It seems that in most cases, it is easier for the economically strong regions like Rongcheng city to fully implement birth-control policies.

According to a recent national conference on this issue, the coastal areas in east China like the provinces of Shandong and Zhejiang and the cities of Shanghai and Tianjin have seen a birth rate below 15 per thousand.

Article Views Education in Ethnic Areas
HK0404075494 Beijing CHINA DAILY in English
4 Apr 94 p 4

[By staff reporter: "Education Is the Root of Poverty in Ethnic Areas"]

[Text] The under-developed educational system in minority nationality regions is the main bottleneck holding up economic progress in those areas, according to Wang Xiumei, Vice Chairman of the People's Congress of Inner Mongolia Autonomous Region.

A vicious cycle is at play because the regions are so poor, qualified educators cannot be enticed to stay and improve the schools. Then the students who attend—or more likely, drop out of—the substandard schools do not acquire the skills and knowledge needed to bring about progressive economic growth.

Adding to the problem, native students who have been sent to study in other areas of the country quite often refuse to come back after graduation.

The shortage of talented teachers endangers the very existence of some of the schools in minority regions. Low salaries and bad working and living conditions for the teachers are to blame, according to Hu Shiqiang, a professor at Yunnan Normal University.

Yet even if a good teacher stays, the poor facilities of the schools make it difficult to carry out many educational programmes.

Of course, having good teachers and facilities is pointless unless the school has students. But in the minority areas, economic pressures keep many students out of school.

In the rural areas of Inner Mongolia, the annual expenses of a primary school or high-school student in a peasant's family is about 100 yuan (\$11), Wang said. But many minority families have more than one child and very low incomes, and they can't pay for all of their children to go to school at the same time. As a result, many peasants stop their children's schooling after primary school.

Similar problems plague Yunnan, according to Hu. For example, a student of the Lisu nationality who was admitted into a university had to refuse the offer even though he would receive a 30-yuan (\$3) monthly allowance and transportation expenses between his home and the university.

"I am grateful to the goodwill of the departments concerned, but this can only solve my own problem, and not that of my family, who depend on me to make both ends meet," said the student.

And now, schooling costs are getting even steeper. The traditional educational system that enabled students to receive college education largely at governmental expense is changing, due to the establishment of the market economy. Most students now have to pay some of the tuition themselves.

Hu offered several suggestions to overcome the road-blocks to educational progress.

First, the government should allocate special funds to the regions to improve the school facilities and the teachers' living and working conditions. Teachers working in such areas should be offered higher salaries than their counterparts in other regions.

Secondly, scholarships and allowances should be provided to a certain proportion of students from poor minority areas.

Thirdly, the central government should establish an educational fund encouraging teachers who devote themselves to ethnic education in the remote and under-developed regions.

In addition, Hu suggested that the educational administrations should make it clear that college graduates from other areas can return to their home towns for work after five to eight years of teaching in minority nationality areas.

Measures Aid Survival of Endangered Animals

OW0304045694 Beijing XINHUA in English
0134 GMT 3 Apr 94

[Text] Harbin, April 3 (XINHUA)—Wild Siberian tigers, which were thought to be on the verge of extinction until recently, are being sighted more and more frequently nowadays in northeast China, due to expanding local forest coverage and meticulous human protective measures.

Miao Liping, a worker with the Dongfanghong Forestry Bureau in Heilongjiang Province, and other passengers on a bus saw a female Siberian tiger and three cubs drinking from a spring near the Qiyuan Forest Farm not so long ago. The cubs were each about one m long and 50 cm tall. They were so leisurely as if they knew that they were specially protected by the government and people.

There have also been reports that the endangered animals were recently seen in the Xiao Hinggan Mountains, Wanda Mountains and Laoye Ridge, also in Heilongjiang Province.

The tiger used to be regarded as the "king" of the animal world in China but human beings proved to be more powerful. As human activities expanded, the number of tigers was reduced drastically until the government and people in the country urgently adopted measures to protect the tiger and other endangered animals in the past decades so as to maintain ecological balance.

The Siberian tiger has also been listed as the most endangered of ten species of wild animals by the World Wildlife Fund International. It is the largest among all the ten species of tigers in the world.

A group of wildlife experts from the northeast China Forestry University confirmed that the number of wild

Siberian tigers in China has increased to nearly 100 from the 1990 figure of 30. The experts have been keeping tract of the animal since 1980.

There are now less than 300 wild Siberian tigers in the whole world, exclusively in northeast China and Siberia. More are being bred in captivity.

According to experts, a Siberian tiger usually needs an area of a dozen sq km of forest to survive. It lives alone and is particular about selecting a spouse. An estrous female Siberian tiger has often to wander a vast distance before finding a male tiger. If the two tigers do not get along with each other, the female tiger has to look for another male tiger. Very often, before the female tiger finds a spouse, her estrus has passed. The difficulty for the animal to mate limits its number in the wild.

China has listed the tiger as a first-class protected animal since the early 1950s. Hunting of the tiger and trading in products made from tigers have been banned. In 1989 Zhang Guojun and two other farmers were sentenced to six years in prison for killing a Siberian tiger. In January this year 50 kg of tiger bones confiscated from smugglers and destined for use in traditional Chinese medicinal recipes were burned.

The country has also set up several nature forest reserves with a total acreage of 100,000 ha. The oldest one was established in Heilongjiang in 1958.

In 1986 the China Administrative Office in Charge of Endangered, Rare and Precious Animals and the Heilongjiang Provincial Government invested over 10 million yuan (about 1.2 million U.S. dollars) to establish a breeding center in a mountainous forest at Hengdaohuhezi in Hailin County, Heilongjiang, to raise Siberian tigers in captivity. The annual expenses for feed, equipment and medical treatment in the center surpasses three million yuan. The initial population of five male and 15 female Siberian tigers at the center were collected from zoos in Beijing, Shanghai, Chengdu and Guangzhou.

Tigers at the center are fed at 3:30 p.m. in the spring, fall and winter, and at 4:00 p.m. in summer. A total of three head of cattle are slaughtered to feed them daily. In addition, nutritional materials such as milk, eggs, liver, mutton, pork bones, racoon meat, yeast, multivitamins and dog meat are added to their food.

However, feeding is withheld on Sunday to increase their ability to endure the torments of hunger, as in the wild. On Fridays they are fed live food, mainly chickens and rabbits, to maintain their preying ability. "This is to pave the way for their return to the wild," said Liu Xinchen, director of the center.

It has been reported that the estrus, mating and whelping phases of the Siberian tiger are strongly seasonal. However, Director Liu said, this seasonal behavior can be changed by using scientific management and nutrients. The tigers can be in estrus, mate, be pregnant and whelp in every season, with the peak birth rate occurring from

June to August. The gestation periods of 12 pregnancies at the center so far has been 107 to 108 days.

Scientists at the center also noted that when a male tiger was permitted to mate with five females at will, it mated 333 times over 35 days, resulting in three whelpings. By adopting a managed mating method or separating the male and female tigers for 12 hours after each mating, however, all five females whelped, although merely 51 matings were allowed in 24 days. Moreover, eight cubs were produced from the natural method and 14 from the managed method.

The tiger in captivity also selects its spouse carefully, Director Liu stressed. The technicians have to transfer a male tiger to the neighboring shed of a female tiger to let them get familiar with each other first. Even so, many of the neighboring tigers fail to mate.

A male tiger called "Beijing Prince", which was transferred from the Beijing Zoo to the center in 1986, refused to mate female tiger no. 001 in 1987. Later, it was introduced to female tiger no. 014. Since then, "Beijing Prince" has never shown any interest in any other female tiger.

After seven years of effort, the center has succeeded in increasing its initial tiger population to 73. During this period 67 cubs in 28 litters have been born, and 58 have survived. Female tiger no. 010 has given birth to 25 cubs in seven litters, with the largest litter size being five. The tiger has been honored as a "Heroic Mother". Both the litter size and the survival rate are records and the center is now the largest of its kind in the world.

Director Liu revealed that the center has mapped out a program to send the tigers raised in captivity back to the wild. It is expected to return some of them to nature by the year 2003.

Science & Technology

Song Jian Hails Single Atom Manipulation

OW0404054194 Beijing XINHUA Domestic Service in Chinese 2108 GMT 29 Mar 94

[By reporter Zhang Jimin (1728 4949 3046)]

[Text] Beijing, 30 Mar (XINHUA)—Science and technology personnel at the Beijing Laboratory of Vacuum Physics, an affiliate of the Chinese Academy of Sciences [CAS], made an outstanding achievement after only months of effort: They succeeded in removing and implanting silicon atoms with relative ease, thus enabling our country to penetrate the world's front line of high technology research conducted in the nanometer range.

The good news won words of praise from inside and outside China. State Councillor Song Jian asked relevant departments to relay congratulations from the State

Council to the researchers. CAS President Zhou Guangzhou was deeply gratified at the achievement. Nobel Laureate Binnig and Doctor Ke-er-dun [2688 1422 7319], a world-renowned expert in the nanometer field, separately sent letters highly estimating the achievements with such praise as "a world-level achievement" and "a very beautiful experimental result."

Shifting a single atom was once a dream of mankind. Atoms are so small that if we arrange 100 million of them in a row, their collective length will amount to only about 1 cm, and we will still have difficulty picking them up. Starting in the 1990's, a few countries, including the United States, startled the world by succeeding in shifting an atom in the low temperature range of 269 degrees Celsius below zero. The technique involved, which is extremely attractive due to its potential applications and commercial value, can push mankind's ability to reorder the world from the micrometer to the nanometer range (one nanometer is equal to one billionth of a meter), and foretells a revolutionary leap in future production methods.

Initially, our scientific and technological circles, which lacked the means to conduct experiments, could only watch impatiently as others scored successes. In August 1993, the Beijing Laboratory of Vacuum Physics imported an ultravacuum tunnel scanning microscope [chao gao zhen kong sao miao sui dao xian wei jing 6389 7559 4176 4500 2217 4178 7143 6670 7359 1792 6975], which is used for observing the surface topography of substances. To modify equipment for atomic manipulation, the laboratory added a special microcontroller, and even used aluminium lunch boxes to form a series of shields along the scanning path. Led by Professor Pang Shijin, researchers worked day and night and successively made significant progress in experiments conducted under normal temperatures:

They wrote the smallest possible characters. Other countries have displayed their abilities to manipulate atoms by utilizing a shape similar to the Chinese character "xie [write 1400]." How good is the vacuum laboratory when it comes to "writing?" The laboratory removed atoms from the crystal lattice of the silicon surface with a probe attached to the ultravacuum tunnel scanning microscope, and purposely traced out the Roman letters "PRC" and the Chinese characters "zhong guo [China 0022 0948]" on the surface. Each stroke of the Chinese characters has an average width of two nanometers, and was produced by removing three to four silicon atoms that were arranged side by side. It is believed that these characters are the smallest in the world.

Atomic insertion is regarded as being more significant than removal. For example, when in the future we wish to fine-tune an apparatus at the nanometer level to change or enhance its performance, we have to implant foreign atoms to form an alloy with the existing substance. Photographs produced by researchers at the vacuum laboratory indicated that the researchers were successful. White spots on the photographs showing that

the inserted atoms are the result of a pile-up—an increase in the atomic radius which results in a clear atomic lattice being obscured. The researchers claimed that the process of atom insertion has not yet been reported inside or outside the country.

The researchers more or less figured out the patterns of atomic arrangements pertaining to the bounded domains [chou jie 3985 3954] of atoms on a silicon surface. They discovered that basically two kinds of defects can occur in the geometric patterns of atomic lattices: "Z-shape" and "ladle-shape" defects. Using these findings, the physics vacuum laboratory has introduced over 30 types of possible patterns of atomic arrangements on a silicon surface. It is believed that the laboratory has scored a first in the world in this respect.

Official Announces Plan To Develop S&T
*HK3103080694 Beijing CHINA DAILY in English
31 Mar 94 p 1*

[By He Jun: "Fresh Plan To Develop Science and Technology"]

[Text] China is to set up a new framework to develop science and technology by the end of the century, it was announced yesterday.

It aims to make them a more important force in the country's drive towards a market economy, said Zhu Lilan, Vice-Minister of the State Science and Technology Commission (SSTC).

The system will free the distribution of China's scientific and technological resources to be adjusted by the market while the government retains overall control, she said.

The new scheme is contained in newly-published guidelines worked out jointly by the SSTC and the State Commission for Economic Restructuring.

The document calls on academics to develop simultaneously China's new and pillar industries as well as high technology.

It focuses on large regional projects which aim to improve social development in West and Central China through the latest technology.

And it lists environmental protection and other problems among the priorities for China's technological development.

The document stressed the SSTC's policy of bringing researchers out of their laboratories and into business so they can put their findings into commercial and industrial use. Meanwhile, said Zhu, the country will continue to give technology industries preferential treatment.

She also said China will do more to improve the working and living conditions of staff in the key research institutes which will bear the brunt of the new drive.

Laws will also be worked out to guide China's technological development, she said.

Beijing 'To Put Into Use' 2 Satellites 'Soon'

OW0304134094 Beijing XINHUA Domestic Service in Chinese 0839 GMT 2 Apr 94

[By reporter Xu Jingyue (1776 0079 6460)]

[Text] Beijing, 2 Apr (XINHUA)—China is stepping up its efforts to develop applied satellite technology and satellite application technology, striving to satisfy needs of the national economy, science and technology, culture, and defense.

The new generation of applied satellites currently under research and development includes large-capacity longevity communication and broadcasting satellites, meteorology satellites, navigation position satellites, disaster-minimized satellites, and multipurpose earth resource satellites. Of these, the Dongfanghong [East Is Red] No. 3 communication satellite and Fengyun [Wind and Cloud] No. 2 meteorology satellite will soon be put into use, and will be the important indicators of China's applied satellites catching up with the advanced level in the world. With 24 transmitters and an eight-year designed longevity, the Dongfanghong No. 3 satellite is capable of meeting China's satellite communication requirements till the year 2000 or even a longer period of time beyond. The Fengyun No. 2, the first earth-synchronous remote-sensing meteorology satellite developed by China, will play an active role in developing meteorological science and technology in China and the world.

Meanwhile, China is improving and perfecting the Changzheng [Long March] series of carrier rockets, and has successfully developed a batch of more advanced and larger-capacity carrier rockets to satisfy domestic and international demands for launching different applied satellites. The Changzheng No. 3B cluster rocket's loading capacity on the earth-synchronous orbit can reach 4.8 tonnes, while its low-orbit loading capacity is about 12 tonnes. The Changzheng No. 1D rocket's loading capacity on the near-earth orbit has been greatly enhanced. The Changzheng No. 3A rocket, which was successfully launched recently, has increased Chinese rockets' loading capacity on the earth-synchronous orbit to 2.5 tonnes, and has upgraded a number of China's new technologies to the world's advanced level.

To provide advanced technical means for telecommunications, broadcasting, education, meteorology, resource prospecting, ocean exploitation, cartography, navigation position, traffic control, maritime accident rescue, environment monitoring, and other national economic departments, China has also established selected nationwide ground satellite application systems, such as satellite travelling communication system, rapid satellite position system, special satellite data information system, satellite financial and taxation system, and satellite wage issuance system.

Cable Optic Line To Cross Northwest China

OW0104113594 Beijing XINHUA in English
1055 GMT 1 Apr 94

[Text] Lanzhou, April 1 (XINHUA)—Work on a cable optic line that runs from Xian to Urumqi via Lanzhou started in Xian, Lanzhou and Urumqi simultaneously today.

The cable line will cut through Shaanxi, Ningxia, Gansu and Xinjiang, totalling 3,068 kilometers.

The line, a key construction project in the Eighth Five-Year Plan period (1991-1995), has been undertaken by the China National Telecommunications Construction Corporation, the Gansu Posts and Telecommunications Construction Corporation and others.

The cable line will eventually extend to Shanghai in the east and Frankfurt in the west, totalling 16,000 kilometers.

National Computer Software Fair Opens in Beijing

OW0104102094 Beijing XINHUA in English
0952 GMT 1 Apr 94

[Text] Beijing, April 1 (XINHUA)—The fifth national computer software fair, which will last six days, opened here this morning.

The fair, co-sponsored by the China Software and Service Corporation and the China Software Exhibition Corporation, now has over 200 participants from all over China as well as from foreign land.

The fair, the only one of its kind approved by China's Ministry of Electronics Industry, covers more than 3,000 categories of products in the fields of teaching, printing, hotel management, project design and application in architecture, energy, petrochemicals, iron and steel, most of which can enter the market directly.

Relevant seminars will also be held during the fair.

XINHUA Carries Scientific News Briefs

OW0304041694 Beijing XINHUA in English
0329 GMT 3 Apr 94

[Text] Beijing, April 3 (XINHUA)—Today's scientific news in brief:

Ethylene Project

Two large steam boilers have been ignited, marking the beginning of the trial operation of the Beijing ethylene project, one of the national key projects.

The project, which is scheduled to go into full operation in September next year, will be capable of producing 115,000 tons of ethylene, 40,000 tons of epoxyethane, 40,000 tons of eva resin and 70,000 tons of butyl alcohol.

Ship Export

A 150,000-ton-class bulk carrier, the largest-ever ship made by China alone, has been completed at the Dalian Ship-Building Factory in northeast China's Liaoning Province. The "Samarinda" has been handed over to the Cobelfert N.V. [expansion unknown] Company of Belgium, the commissioner said.

Steel Cutting

A new type of portable cutter powered by oil and oxygen has been produced in Beijing by the Sino-foreign jointly invested Xindu Thermal-Powered Cutting Equipment Co. Designed by Liang Guangqi, the new cutter consumes less energy and is safer compared to similar cutting instruments. It can cut plate steel of 3 to 60 mm.

Military**Jiang Zemin Stresses Study of Deng Works**

OW0304084594 Beijing XINHUA Domestic Service in Chinese 1305 GMT 1 Apr 94

[By RENMIN RIBAO reporter Guo Jia (6753 0857) and XINHUA reporters Luo Yuwen (5012 3768 2429) and Jia Yong (6328 3057)]

[Text] Beijing, 1 Apr (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, state president, and chairman of the Central Military Commission, held a discussion today with the trainees of the first rotational training class for military cadres at and above the corps-level to study Volume 3 of the *Selected Works of Deng Xiaoping*. He emphasized during the discussion: It is a long-term strategic task to arm the People's Liberation Army [PLA] with the theory on building socialism with Chinese characteristics. We should apply what we have studied in our practical work and raise our awareness of the need to carry out the major tasks.

Present at the discussion were Liu Huqing and Zhang Zhen, vice chairmen of the Central Military Commission; and Zhang Wannian, Yu Yongbo, and Fu Quanyou, members of the Central Military Commission.

Jiang Zemin delivered an important speech after hearing views of several trainees. He pointed out: We should study Volume 3 of the *Selected Works of Deng Xiaoping* thoroughly and unremittingly. Since the publication of the Volume 3 of the *Selected Works of Deng Xiaoping*, the whole party, the whole PLA, and the whole country have rapidly whipped up an upsurge of study, which has played a great role in achieving an ideological unity in the party and in promoting reform, opening up, and socialist modernization. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the Marxism of contemporary China, as well as a strong spiritual pillar which inspires the whole party, the whole Army, and the people of all nationalities across the country to work with one heart and one mind to attain our grand goals. The more progress we make in reform,

opening up, and modernization, the more new circumstances and new problems we will have to deal with. So, it is even more necessary to arm ourselves ideologically with scientific theories. We will be able to achieve one success after another in reform, opening up, and modernization if our party has a large number of cadres who have had a grasp of basic Marxist theories and the theory of building socialism with Chinese characteristics, systematically and practically, not fragmentarily nor hollowly, and who know how to apply these theories in studying and solving important problems. It is no easy task to truly master and use skillfully Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and it won't work to merely study it once or twice. We must study it constantly and repeatedly in light of our reality, deem the study to be a long-term strategic task, and pay attention to it persistently and unremittingly.

Jiang Zemin pointed out: Comrade Xiaoping has always called on us to study Marxist stand, viewpoints, and methods, and he always opposes dogmatism and pragmatism. The theory of building socialism with Chinese characteristics is a complete scientific system, in which the basic views and doctrines are inter-related and none of them is isolated. During the course of study and application, we should always pay attention to comprehensively and correctly understanding the essence of those views and doctrines and know the relationship among them. We should have a firm grasp of the quintessence of emancipating the mind and seeking truth from facts. We should know how to study and ponder Comrade Xiaoping's basic views in conjunction with the relationship among them, so that we will have a thorough and profound grasp of them.

Jiang Zemin said: In order to study well Comrade Xiaoping's works, it is very important to study them in conjunction with the important party documents issued since the Third Plenary Session of the 11th CPC Central Committee, as well as the important policy decisions of the party Central Committee and the Central Military Commission. In this way, it will be easier for us to enhance our understanding of Comrade Xiaoping's important thoughts and his basic theories and views, as well as the party's policies. At present, it is particularly necessary to study well the decision of the Third Plenary Session of the 14th CPC Central Committee and the theory and basic knowledge on socialist market economy.

Jiang Zemin emphasized: During the course of thoroughly studying Volume 3 of the *Selected Work of Deng Xiaoping*, we should consider the major tasks of the party's work this year and raise our awareness of the need to carry out those tasks. The Central Committee has set the major tasks of the party's work this year as seizing opportunity, deepening reform, opening up wider, promoting development, and maintaining stability. They are based on a comprehensive analysis and correct appraisal of the present domestic and international situation. The key to success in promoting China's

reform, opening up, and modernization lies in handling well the relationship among reform, development, and stability. We have promulgated a number of reform measures this year for the establishment of a socialist market economic structure, which is like a battle to storm heavily fortified positions. If we win in the battle and successfully build the framework of a socialist market economy, we will lay an important foundation for China's economic development. To win in this tough battle particularly requires the whole party, the whole Army, and the people of all nationalities across the country to unite as one, share weal and woe, take concerted actions, and forge ahead. Leading party cadres at all levels should fully understand the major tasks of the party's work and conscientiously subordinate themselves to and serve these major tasks. Our armed forces should provide a strong security guarantee for reform, opening up, and modernization and take up the historic responsibility. Through the study of Comrade Xiaoping's works, all PLA officers and men should identify themselves ideologically with the major tasks of the party's work and with the party's and government's important policies of deepening reforms. We should strive to promote reform, development, and stability at our workposts. We should educate the vast number of officers and men to treat correctly the readjusted relationship among different interest groups in the course of reform; conscientiously subordinate their individual interest to the interest of the whole; and set an example in stressing lofty ideals, good discipline, unity, and the interest of the whole.

Jiang Zemin emphasized, "While thoroughly studying Volume 3 of the *Selected Works of Deng Xiaoping*, we should strive to improve the overall quality of the leading groups and promote Army building in an all-round way. While studying Comrade Xiaoping's works, we must consider the Army's realities, carry out well the decisions of the Central Military Commission, and constantly promote Army building. In strengthening the leading groups, we should first adhere to the requirements of making the leading cadres more revolutionary, a younger average age, better educated, and professionally more competent. Comrade Xiaoping has always attached importance to training and selecting young outstanding cadres. He has had many important expositions in this regard, and we should comprehend and implement them very well. Second, we should raise our ability in conceiving strategic concepts and policy decisions. We should strive to learn from Comrade Xiaoping's rich experience and superb leadership in governing the party, the government, and the Army, as well as his revolutionary courage and resourcefulness, his realistic spirit and his scientific methods. We should learn from his ability in grasping the development characteristics and law of things. We should know how to discuss important matters and formulate important policies in consideration of the interest of the whole. We should constantly improve our ability in guiding the Army building and in keeping complex situation under control.

Third, we should step up the cultivation of party character and maintain ethical integrity. A strong and pure party character among the leading cadres is an extremely important condition for realizing the party's program and line. During the course of developing a socialist market economy, leading cadres should take the lead in resisting the influence of mammonism, extreme individualism, and decadent life style. Fourth, we should seriously improve the style of leadership and perform actual deeds. We have already laid down clear and definite principles and policies for the building and reform of the party, the country, and the Army. The key now is making actual, strenuous efforts to carry them out. Leading cadres at all levels should go deep into the realities of life, conduct investigation and study, combine general calls with specific guidance, and do a solid and effective work. We should resolutely oppose the seeking of superficial forms and pretty appearances, as well as the practice of exaggeration and fraud. There are a multitude of things to do for the troops, but all of them must be done eventually at the grass-roots units. We must build the grass-roots units well, fully arouse the enthusiasm of the cadres and fighters there, lay an even stronger foundation for the Army, and enhance its combat effectiveness in an all-round way.

The rotational training class is run by the National Defense University at the request of the General Political Department.

Also present at the discussion were Xu Caihou, deputy director of the General Political Department, and Zhu Dunfa and Li Wenqing, commandant and political commissar respectively of the National Defense University.

Fang Zuqi Attends Meeting on NPC

OW0304141394 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 27 Mar 94

[From the "News" program]

[Text] Yesterday morning [27 March], more than 1,000 officers and men from the Nanjing Military Region organs and units stationed in Nanjing happily gathered together to hold a report meeting on guidelines of the Second Session of the Eighth National People's Congress [NPC]. Attending the meeting were Fang Zuqi, Guo Xizhang, Wang Yongming, (Zang Ying), (Chen Binde), (Wang Chongguo), (Wang Caiwu), and Miao Guoliang, who are Eighth NPC deputies from the party committee standing committee and organs of the Nanjing Military Region, standing committee members of the Eighth Chinese People's Political Consultative Conference, and leaders of headquarters, political department, and logistics department of the Nanjing Military Region.

Guo Xizhang, deputy commander of the Nanjing Military Region, presided over the meeting. Wang Yongming, NPC deputy and deputy political commissar of the Nanjing Military Region, briefed the participants on the grand event of the Second Session of the Eighth NPC and relayed basic guidelines of the session.

Political Commissar Fang Zuqi spoke at the meeting. He said: The Second Session of the Eighth NPC was a very important meeting held at the crucial moment of China's reform, opening up, and socialist modernization. Party committees and political organs at all levels must attach great importance to this session and seriously and responsibly do a good job in studying and carrying out the guidelines of this session.

Yu Yongbo Addresses 'Grass-Roots' Forum

OW0204063094 Beijing XINHUA Domestic Service in Chinese 1107 GMT 1 Mar 94

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 1 Mar (XINHUA)—An all-army grass-roots political work forum was held in Beijing today. Addressing the forum, Yu Yongbo, member of the Central Military Commission [CMC] and director of the General Political Department of the People's Liberation Army [PLA], emphasized the necessity of strengthening overall grass-roots construction by firmly taking Comrade Deng Xiaoping's thinking on army building in the new period as guidance, and meeting the overall demands put forward by CMC Chairman Jiang Zemin: "Be qualified politically and competent militarily, have a fine work style, maintain strict discipline, and be assured of adequate logistical support."

The forum was held with the approval of the CMC, whose leaders, including Jiang Zemin, Liu Huaqing, and Zhang Zhen have attached great importance to it by putting forward demands. The forum's main topic of discussion was to study ways and means to implement the "Outlines on Grass-Roots Army Building," reissued by the CMC, so as to enhance the combat effectiveness of grass-roots party organizations, raise grass-roots cadres' ability to lead troops, and promote overall improvement in the grass roots. Cadres in charge of political work in various major PLA units and the armed police force attended the meeting.

In his speech, Yu Yongbo elaborated Comrade Jiang Zemin's overall demands in standardizing and guiding grass-roots construction. He said: These five phrases: "Be qualified politically and competent militarily, have a fine work style, maintain strict discipline, and be assured of adequate logistical support" were based on Comrade Deng Xiaoping's thinking on army building in the new period and took into consideration the realities of doing so. Broadly summing up the tasks and criteria of army building, these statements fully reflected the demands and missions of army building in the new situation and are in complete compliance with the objective law of grass-roots construction. Standardizing and guiding grass-roots construction with these "five phrases" is not only a practical application of Comrade Deng Xiaoping's thinking on army building in respect to grass-roots construction in the new period, but are also important measures needed for realizing the great goal of

establishing a powerful, modernized, regular revolutionary army. Armed with this guidance, we should be able to build a more solid foundation for army building, coordinate various work, strengthen overall construction, and perform the basic functions of our army. We must implement these new "guidelines" with a new attitude and style, and proceed toward the goals of "qualification, competence, fineness, and strictness."

Yu Yongbo said: Party committees at company level are the core of unified leadership and solidarity. Efforts should be made to improve quality and grass-roots construction, enhance party spirit and the concept of pioneering among party members; and to strengthen party committees' ideological and political leadership and bring into full play the role of fighting force.

Touching on vigorously promoting the fine tradition of unity between officers and men and enhancing the troop-leading ability of grass-roots cadres in the new situation, Yu Yongbo emphasized: Unity between officers and men is the fine tradition of our army; leaders at various levels, particularly grass-roots cadres, should correct their basic attitude toward the soldiers by genuinely understanding and loving them. In improving our overall troop-leading ability, we should act fairly and honestly, build a good self-image, and closely integrate strict control and guidance with patience.

Yu Yongbo demanded leaders at various levels and political organs strictly adhere to the "guidelines" in guiding grass-roots construction. He urged them to always keep the grass roots in mind, constantly think of the soldiers, and look for new ideas and ways to help solve real grass-roots problems.

Leaders from departments connected with the General Staff Headquarters and General Logistics Department, including Zhou Ziyu, Du Tiehuan, Xu Caihou, and Tang Tianbiao, attended the meeting.

Jinan Military Region Relays NPC Guidelines

SK3003065294 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 26 Mar 94

[Text] On the afternoon of 26 March at Jinan Bayi Assembly Hall, leading organs under the Jinan Military Region ceremoniously held a rally to relay and implement the guidelines of the second session of the eighth National People's Congress [NPC] and the second session of the eighth national committee of the Chinese People's Political Consultative Conference [CPPCC].

The rally was chaired by Song Qingwei, political commissar of the region. Zhang Taiheng, commander of the Jinan Military Region, gave a speech. He pointed out in his speech: We should closely proceed from reality to relay and implement the guidelines of the two sessions, promote progress in the work of various spheres, lead the broad masses of cadres and fighters to accurately handle the readjustment of interests in the course of reform, inherit and carry forward the glorious traditions, deeply

launch the campaigns of learning from Lei Feng and Xu Honggang, highly develop the main melody of the times, deeply implement [words indistinct] in the new age, strengthen military training and war preparedness, and upgrade the combat effectiveness of the army. According to President Jiang Zemin's general requirements for grasping favorable opportunities, deepening reform, expanding the scale of opening up, promoting development, and maintaining stability, we should vigorously strengthen the overall construction of grass roots so as to meet the demands of the grass roots. We should carry forward the fine traditions of supporting the government and cherishing the people and further achieve unity between the army and the government and between the army and the people, and narrow the relationship between the army and the government and between the army and the people in the new situation.

Zhang Wentai, deputy political commissar of the Jinan Military Region, relayed the guidelines of the second session of the NPC and the second session of the national CPPCC committee.

Present at the rally were some 1,500 people, including standing committee members of the party committee of the Jinan Military Region, deputies to the NPC and members of the Eighth National CPPCC Committee living in Jinan, leading comrades of organs of the region, veteran comrades of the region, and [words indistinct] of the units of the region stationed in Jinan.

PLA Promotes Advanced Units, Soldiers

OW0204162194 Beijing XINHUA Domestic Service in Chinese 0855 GMT 3 Mar 94

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 3 Mar (XINHUA)—With the Central Military Commission's [CMC] approval, the People's Liberation Army's [PLA] General Staff, Political, and Logistics Departments [GSPLD] decided that beginning in 1994, all military units should launch campaigns to promote advanced companies and soldiers through competition; that they should facilitate a lively situation whereby the broad masses of grass-roots units will emulate, learn from, catch up with, and be helped by the advanced units so as to forge ahead; and that they should enhance grass-roots units' development in an effort to comprehensively raise the army's fighting power.

Under the guidance of Comrade Deng Xiaoping's theory on army building in a new era and in accordance with CMC Chairman Jiang Zemin's proposed general requirements that all army units must be qualified politically and competent militarily, and that they must have a fine work style, maintain strict discipline and be assured of adequate logistical support, at the end of 1993, the GSPLD again amended the "Program of Developing Military Grass-Roots Units [jun dui ji ceng jian she gang yao 6511 7130 1015 1461 1696 6080 4854 6008]." With CMC approval, the "program" has been publicized and promulgated in all military units on a trial basis. The

"program" urged the whole army: to activate the enthusiasm and creativity of officers and men in grass-roots units and to launch campaigns to promote advanced companies and soldiers through competition. The activities should improve and advance the grass-roots units' inspirational mechanisms and should serve as an important measure for enhancing grass-roots units' development.

The GSPLD urged: While carrying out the activities, military units should aim at development, maintain consistency, pay attention to attaining realistic results, and stress expeditiously accomplishing tasks and enhancing development in an all-around manner. The evaluation of advanced companies and soldiers should be combined with the assessment of their overall work performance at year-end. When choosing an advanced company, grass-roots units should conduct self-assessment in accordance with the requirements on grass-roots units' development and submit and register their assessments with a unit at higher level. To be chosen as an outstanding soldier, service members should aim to become soldiers who have ideals, moral integrity, good educational backgrounds, and discipline and should emulate Lei Feng. The outstanding soldier requirements include: maintain high political and ideological standards, have outstanding military skills, assert a strict work style and discipline, and have a good record of well-accomplished missions. The approving unit will present an advanced company with a meritorious certificate that has been uniformly designed by the General Political Department. For an outstanding soldier, the approving unit will send to his family a happy-tidings bulletin also uniformly designed by the General Political Department, and will record the event in his personal file. The approving unit will publish a circular to commend an advanced company and will award an outstanding soldier according to the "Discipline Stipulations [ji lu tiao ling 4764 1774 2742 0109]." When electing squad leaders and special task force members, promoting soldiers to be cadres, and allotting candidates for admission examinations to academies and colleges, military units should consider outstanding soldiers.

The GSPLD urged: The broad masses of officers and men at grass-roots units should join in the "campaigns that promote advanced companies and soldiers through competition" so as to advance the grass-roots units' development to a higher level.

Paper Refutes Allegations of Budget Increase

HK0204061094 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 1 Apr 94 p 6

[By Ling Zi (0407 1311): "Racking One's Brains Is to No Avail"]

[Text] Recently, public opinion in some Western countries has tried hard to play up allegations that China has increased its military spending by a big margin and that this "constitutes a threat" to its neighbors. This is

nothing but an attempt to sow discord between China and its bordering countries and to incite an anti-China feeling. What is the reality?

According to reports by the London Institute of International Strategic Studies and the Stockholm International Peace Research Institute, authoritative Western organs, China's national defense spending is not much in fact. Take, for instance, the years 1991 and 1992. The U.S. national defense budgets for these two years were \$290.9 billion and \$270.9 billion respectively but the figures for China were only \$6.13 billion and \$6.73 billion respectively, only 2.1 and 2.4 percent of the U.S. budget figures. The percentage of per capita military spending is even less. The per capita military spending figures for the United States in those two years were \$1,155 and \$1,076 respectively but those for China were only \$5 and \$6. The per capita military spending of China is only 0.43 and 0.55 percent of those of the United States. Even if compared with those of the bordering countries, China's national defense budget cannot be ranked among the top three and the ranking of its per capita military spending is much lower.

China has increased its national defense budget by a small amount this year. However, as Vice Premier and concurrently Foreign Minister Qian Qichen said: "As a matter of fact, this is mainly to make up for the increase in commodity prices."

How can China's military spending be considered large when viewed from the facts? China has always pursued a foreign policy of peace and has made efforts to safeguard world peace. This is known to all. Racking one's brains in an attempt to make use of the issue of military spending to incite an anti-China feeling is completely to no avail.

Circular Urges Easing Troops' Financial Burdens

HK0304083594 Beijing JIEFANGJUN BAO in Chinese 19 Mar 94 p 1

[By special correspondent Chu Yu (2806 7183): "The PLA General Logistics Department Issues a Circular Calling for a Reduction in the Financial Burdens of the Troops"]

[Text] Beijing, 8 Mar (JIEFANGJUN BAO)—In a circular issued today to the logistics departments of all major Army units and the direct-supply units of the General Logistics Department, the General Logistics Department calls for reducing the troops' financial burdens.

The circular points out that, in recent years, all levels and departments throughout the Army have conscientiously implemented the spirit of the instructions of the Central Military Commission on stepping up army building at the grass-roots levels. Given the shortage of funds, they have done a great deal of practical work for the troops and have been well received by them. However, the

problem of heavy financial burdens is still fairly conspicuous. Now that combat units below the army level are no longer engaged in business production, the financial reserves at their disposal have correspondingly decreased, and the contradiction between fund supply and demand has become even more apparent. For this reason, all levels and departments—especially the leading organs—should conscientiously reduce meetings and documents and work vigorously to cut administrative expenditures. When holding exchange-experience meetings, on-the-spot meetings, and commendation meetings, when running training classes, and when launching goal-reaching activities, they are not allowed to apportion the outlays to Army units or do it in a disguised way, because the expenditure of higher levels should not be reimbursed by lower levels. No organ (unit) or individual is allowed to indiscriminately demand reimbursements or aid from Army units for whatever reason or in whatever name. Army units have the right to refuse, in accordance with the relevant state regulations, the apportionment of charges or aid requests by the local authorities.

The circular specifically prohibits the diversion of surplus company funds for any other purpose. It is necessary to supply in full funds allocated to the grass-roots units according to certain criteria. The surplus food expenses of company units should be concentrated and placed in safe-keeping at units above the regimental level. Company units should nevertheless be given ready access to the funds, and the diversion of the funds for any other purpose is strictly prohibited.

The circular says that, when inspecting work in Army units, higher-level organs should make overall arrangements, improve planning, have a clearer objective in mind, and pay attention to practical results. They should travel with a minimum of pomp and pay table expenses according to regulations. Army units are not allowed to give special treatment to people from higher levels, including leading cadres. Financial departments have the right to refuse to reimburse expenses incurred in violation of the regulations.

Beijing Starts Test Pilot 'Postgraduate School'

OW0204141894 Beijing XINHUA in English
1335 GMT 2 Apr 94

[Text] Xian, April 2 (XINHUA)—A postgraduate school for test pilots was set up Friday [1 April] in Xian, capital of north-west China's Shaanxi Province.

The school will enrol 8 to 15 postgraduate aviation students every year who have more than 600 hours of flying experience.

This is the first such college in Asia, and there are a few countries that have schools to train master's degree students for the aviation industry.

Involved in the joint founding of the school are the National Defence Commission for Science, Technology

and Industry, the State Education Commission, the State Planning Commission, the State Science and Technology Commission and the Ministry of Personnel.

Also involved are the Civil Aviation Administration of China, the air and naval forces of the People's Liberation Army, and the China Industrial Aviation Corporation.

Economic & Agricultural

Li Peng Promulgates Rules on Mineral Rights Fees Collection

OW0204095594 Beijing XINHUA Domestic Service in Chinese 0904 GMT 4 Mar 94

[Text] Beijing, 4 Mar (XINHUA)—Decree No. 150 of the People's Republic of China State Council:

The "Provisions for Managing the Collection of Mineral Rights Fees," adopted by the State Council's sixth executive meeting on 29 June 1993, is hereby promulgated for enforcement beginning on 1 April 1994.

[Signed] Premier Li Peng
[Dated] 27 February 1994

Li Peng Promulgates Medical Institutions Managing Rules

OW0204095094 Beijing XINHUA Domestic Service in Chinese 0634 GMT 4 Mar 94

[Text] Beijing, 4 Mar (XINHUA)—Decree No. 149 of the People's Republic of China State Council:

The "Regulations for Managing Medical Institutions" is hereby promulgated for enforcement beginning on 1 September 1994.

[Signed] Premier Li Peng
[Dated] 26 February 1994

New Foreign Exchange System Taking Shape

OW0104150194 Beijing XINHUA in English
1440 GMT 1 Apr 94

[Text] Beijing, April 1 (XINHUA)—From today on, the exchange rate of Chinese yuan against U.S. dollar will be based on an inter-bank foreign exchange trading, which is carried out on the Shanghai Foreign Exchange swap market, now the country's leading market of such kind.

The closing price of the previous day will be used by the central bank as the basis of the inter-mediate price of the RMB [renminbi] against major foreign currencies.

This was announced today by the People's Bank of China, the central bank, which also indicated an official introduction of market force into foreign exchange trading.

The intermediate prices, or the basic rates, are used by banks and non-banking financial institutions to buy or sell foreign exchanges, but with a maximum floating range of 2.5 per thousand, a bank official said.

Today's basic rate for U.S. dollar was 8.6987 yuan.

The new system stresses the banks' role as they are now the major supplier of foreign currencies.

According to well-informed sources, more than 50 banks and financial institutions have gained the membership of the new center, a dozen of them are foreign banks.

But as foreign banks are barred from local currency business, they can only sell foreign currencies to their fellow members within the swap center.

The central bank allows them to exchange foreign currencies to some renminbi yuan as their circulation funds, but the total amount exchanged within a day cannot exceed 5 percent of their capital.

While the inter-bank market is taking shape, foreign exchange swap markets across the country are kept open, which is used exclusively by foreign funded companies.

"Unlike domestic companies, foreign-funded firms are not required to sell their foreign currency earnings to Chinese banks, therefore there is no point for the banks to meet their hard currency needs," said an official from the state administration of exchange control.

But he confirmed that the foreign exchange trading in the swap market also follow the central bank's basic rates, and hinted that the central bank will likely intervene in case of big exchange rates taken place.

Although some banks complain that the floating range is too narrow to reflect the actual market demand and supply, most of financial experts agree that the limitation is necessary, especially in the initial stage of the new exchange system.

The final goal of foreign exchange system reform is to make renminbi a freely convertible currency, experts said. But they added that the authorities will relax the control of the floating scope only when the new system takes roots and both banks and enterprises can afford the cost brought by bigger foreign exchange fluctuation.

Government Approves Emergency Funds To Fight Drought

HK0204063094 Beijing CHINA DAILY in English
2 Apr 94 p 1

[By Liang Chao: "Emergency Funds To Combat Drought"]

[Text] The central government yesterday approved a 28 million yuan (\$3.2 million) emergency fund to fight the severe drought devastating North China.

The money will go to cash-strapped local governments and farmers who cannot afford to pump water to their fields, said an official of the State Anti-Drought Office (SADO) who declined to be identified.

The drought has affected more than 17 provinces, regions and cities since last autumn and poses a major threat to spring and summer crops.

North China's major grain producing provinces will be particularly hard hit, said the official.

The severe drought threatens to destroy over 4 million hectares of wheat and made it difficult to sow 9 million hectares last month, SADO said.

Meanwhile, more than 6.8 million people and over 34 million heads of livestock are suffering from a severe shortage of drinking water.

Some rain is expected this month in North China, according to the latest weather forecasts.

But it is too early to estimate its impact, the official said.

The affected crop land accounts for 4.5 percent of China's farmland, the official added.

But its impact on crops has been much greater.

Beijing and Tianjin and Hebei and Henan provinces have been plunged into the worst spell of dry weather.

Hebei Province has only received 3.8 millimeters of precipitation—68 percent less than in normal—since last December.

And the soil moisture content there has dropped sharply due to dry and windy weather. Many plants are dying right after they sprout.

At least 30 percent of the province's wheat farms have been badly affected, SADO's statistics said.

The province's major reservoirs contain only 700 million cubic metres of water, while many small reservoirs in the area have dried up.

Ground water has even dropped three metres in some parts of the province.

Similar reports have come from Beijing, Tianjin, Henan, Shaanxi and Gansu. Barely any rain has fallen west of Qinghai Province.

To fight the drought, local authorities have renovated irrigation ditches and conserved water.

To date, they have brought badly needed water to more than 3.2 million hectares of wheat farms.

New Regulations To Simplify Port Inspections for Ships

HK0204063294 Beijing CHINA DAILY in English
2 Apr 94 p 3

[By Xie Yicheng: "Simplified Port Checks Due For Ships"]

[Text] China is ready to reform its decades-old system of port inspections to bring procedures in line with international norms.

As proposed before the State Council, the new rules cancel the need for harbour officers to always conduct on-board inspections of ships entering and leaving Chinese ports.

Instead, the shipping companies or their agents can generally conduct the checks themselves and then report the results to the officials.

The checks affected by the new rules are for the harbour superintendency, customs, frontier checkpost and sanitary quarantine units.

The new procedures, called "clearance-upon-trust," are expected to take effect later this year if they get the nod from the State Council, said a source from the Ministry of Communications.

The ship inspections may be conducted within a specified period of time before or after the vessel pulls into a berth. The rule applies to both domestic and foreign ships.

The existing on-board checks have often delayed foreign-trade ships. As a result, many prefer to call at Hong Kong and ports of other countries.

According to the new rules, more flexible clearance checks are to be implemented for ships calling at frontier ports and shuttling within short routes.

The new system is also intended to establish more efficient ship inspections and to stress ship owners' awareness of Chinese laws.

Tax Official on Enterprise Tax Deductions, Exemptions

OW0204162394 Beijing Central Television Program
One Network in Mandarin 0530 GMT 26 Feb 94

[Sixth of seven question-and-answer talks sponsored by the State Economic and Trade Commission (SETC) and the State General Administration of Taxation chaired by Wei Dong, deputy director of SETC Enterprises Department: "Answers to Questions Regarding Enterprises' Implementation of the New Tax System"—recorded]

[Excerpts] [Wei] Today's talk is about enterprises' income taxes. This is one issue in which all enterprises are interested. Director Zhao [Zhao Huitan, director of the State General Administration of Taxation Department of Income Taxes], would you please comment on the differences between the new and former systems on enterprises' consolidated taxes?

[Zhao] Generally speaking, the two systems are different in five respects. First, the new system has consolidated the tax rate at 33 percent, replacing the former three tax rates. Second, the new system has standardized the tax

base. The tax law has standardized the pre-tax deductibles. [passage omitted] Third, under the new system, state enterprises do not have to pay regulatory taxes and the two types of funds, namely the fund for key energy and communications development projects and the fund for budgetary regulation. Fourth, after the tax base has been consolidated, a new system governing enterprises' loan repayment will be established. [passage omitted] While an enterprise may consider loan interests as a production cost after the new system has been instituted, it must use its disposable capital to pay the loan itself. Fifth, under the new system, state enterprises will no longer have to deliver contractual income taxes to the state. [passage omitted]

[Chen Shuqi, chief of the Beijing No. 4 Pharmaceutical Factory Financial Section] Director Zhao, according to the new tax law, which became effective on 1 January this year, the categories of deductible income taxes are different from those of the past. What are the major differences?

[Zhao] The new tax system is different from the Interim Regulations Governing Enterprises' Income Tax in the following areas: The first difference is about enterprises' loan interests. If an enterprise borrows money from a financial institution, the interest it pays to the institution is deductible; and if it borrows money from a non-banking financial institution, the interest is deductible provided the interest rate does not exceed that for the same kind of loan borrowed from a banking institution during the same period. [passage omitted] Second, a worker may deduct his wages if the wages he receives from an enterprise does not exceed the standards set for taxable wages [ji shui gong zi]. [passage omitted] This measure is adopted to control the excessive growth of consumption funds when enterprises have yet to establish all their self-restraint mechanisms. [passage omitted] Third, the basic amounts of money that an enterprise retains for workers' welfare services, trade union budgets, and workers' education budgets should be calculated the same way as taxable wages. The fourth difference is about donations. [passage omitted] According to the new tax law, donations should be governed by several conditions. 1) They should be made through intermediaries, such as youth foundations, Hope Projects, [word indistinct] committees, and other nonprofit social and nongovernment groups. 2) They should be used for education, public welfare services, disaster- or poverty-stricken areas. 3) As commonly practiced in foreign countries, there are limits for deductions. [passage omitted]

[Yun Qinghua, director of Beijing No. 1 General Machinery Plant] Director Zhao, enterprises are now very interested in tax deductions and exemptions. Before tax reform, enterprises could enjoy certain preferential treatment in terms of tax deductions and exemptions. What preferential measures will continue and what will be removed following the establishment of the new tax system?

[Zhao] Enterprises today enjoy too many tax deductions and exemptions and preferential tax treatment. [passage omitted] After enterprises' income taxes have been consolidated, the current tax deductions and exemptions have been screened. Most of the deductions and exemptions will be removed. This is because tax rates have been reduced under the new tax system. [passage omitted] But certain reasonable deductions and exemptions with a fairly great impact will be retained. After study, we consider continuing giving preferential tax treatment for high-tech enterprises in high-tech industrial development zones, newly established tertiary industries, school-operated enterprises, nongovernment welfare enterprises, enterprises providing employment services, enterprises engaged in controlling industrial wastes and protecting the environment, and enterprises in need of assistance after being hit hard by natural disasters. [passage omitted]

[Yun] Director Zhao, comrades of local economic commissions have asked whether local governments still can authorize tax deductions and exemptions after the new tax system has been implemented.

[Zhao] Enterprises' income tax is a tax that came into being through national legislation. This means that the same tax law and tax collection policy should be applied nationwide. After the system of separating central and local taxes has been established, income taxes paid by local enterprises are considered part of the local authorities' regular incomes, and local authorities can handle certain issues according to actual local situations with the authority prescribed in the tax law and other relevant regulations. Local authorities may not exceed the bounds of this authority and do what they want in deducting or exempting taxes. [passage omitted]

Official on Increment Value Indexes in Statistics
 OW0204163894 Beijing XINHUA Domestic Service in Chinese 0456 GMT 3 Mar 94

[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 3 Mar (XINHUA)—After the State Statistical Bureau [SSB] recently published the statistics on economic and social development in 1993, many people have asked: Why does China use increment value indexes in its statistics instead of total output indexes? In connection with this question, this reporter today interviewed Qiu Xiaohua, an economist and SSB spokesman, and asked him to talk about related matters.

Qiu Xiaohua said: In general, internationally GNP [gross national product] or GDP [gross domestic product] is used to measure the index of a country's economic development. China began to use GNP and GDP as a transitional measure in 1985, hoping at the same time to preserve the indexes such as total industrial and agricultural output value, total social output value, and national income, which it used in the past. Beginning in 1992, the state abolished the total output value index in its statistical communique released for foreign

consumption and retained only the GDP and other related indexes. GDP is the sum of the added value from various departments.

What are the defects of the total output value index which China used in the past?

Qiu Xiaohua said: Total output value is merely a statistic of the total production result of a material production department. As far as the price structure is concerned, total output value includes newly created value and material consumption in various links of production, such as the two main consumptions, energy and raw and semifinished materials consumption. Because total output value includes material consumption from the intermediate link, the double computation factor exists. For example, in the textile industry if spinning, weaving, printing, and dyeing are done separately by various industrial enterprises that conduct business accounting independently, the value of these raw and semifinished materials are again added to the total output value. This makes it difficult to truly reflect the national economy's growth. With the development of various types of social services, it is also difficult to comprehensively reflect, using only the total output value indexes of material departments, the economic and social development of a country or a region.

What is an increment value index?

Qiu Xiaohua pointed out: The increment value index covers all national economic departments, including the original material production departments as well as the nonmaterial production ones. As far as the price structure is concerned, an increment value index only includes newly created value and depreciation but excludes energy and raw and semifinished material consumption in the various production process links. Thus, it avoids the factor of overlapping computation and more truly and accurately reflects changes in the national economy.

Qiu Xiaohua pointed out: The replacement of the total output value index with the increment value index has the following benefits: First, it will encourage production enterprises to reduce consumption and save energy and guide all sectors of society to develop the economy while keeping efficiency in mind; it will also help overcome the tendencies of one-sidedly going after total output value and growth rate. Second, it is conducive to bringing the indexes of various industries in line with the GDP or GNP, because the sum of their increment values is equal to the GDP. Third, it will help enterprises upgrade their equipment and technology, increase their economic efficiency, and strengthen their competitiveness. Fourth, it will make it easier to make international economic comparisons.

Aviation Industry Fund-Raising Operation Successful

OW0204022694 Beijing XINHUA in English
0150 GMT 2 Apr 94

[Text] Tianjin, April 2 (XINHUA)—The China Aviation Foundation, the latest effort by the Chinese aviation industry to raise funds from overseas, has achieved total success, official sources here said.

The sources said that within a year's time in its first campaign, the foundation has raised 96.6 million U.S. dollars.

Now these funds have found their way into aviation enterprises, among which eight have begun to operate on new bases, the sources said.

Once a part of China's defense industry, the aviation sector has in recent years transformed itself into a major manufacturer of aircraft, combustion turbine engines, automobiles, motorcycles, foodstuff packaging machines and other civil products, the sales income of which now accounts for 70 percent of the industry's total output value.

Despite its advantages in high-tech fields, the industry nonetheless has been beset by a shortage of funds. The whole industry received only seven million U.S. dollars of overseas investment before the foundation was established.

In 1993, the China National Aviation Industry Corporation (CNAIC), with the support of several overseas companies and banks, established the China aviation foundation.

Soon after it was launched, the foundation entrusted the Hong Kong-based Tienlee Company with raising funds from overseas for 66 industrial projects it had selected out beforehand.

Zhang Hongbiao, vice-president of CNAIC, said that the 66 projects were chosen on the basis of strict feasibility studies, including predicted investment and marketing prospects.

Zhang said project enterprises could use the funds for technical upgrading, purchase of equipment, personnel training, marketing studies, or even as circulating capital.

The vice-president said that project enterprises receiving the funds may operate as Sino-foreign joint ventures, though they must be solely managed by Chinese.

Among those to begin to operate on the new basis is Tianjin Tianli Aviation Electronics Ltd., which received 7.95 million U.S. dollars from the foundation for new product development.

The vice-president pointed out that the aviation foundation will be playing an important role in the industry's blueprint for the coming 10 to 15 years.

He added that preparations for the raising of second and third batches of funds are already under way.

'Dense Oil' Technology Reaches World Advanced Level

OW0204155694 Beijing XINHUA Domestic Service in Chinese 0719 GMT 1 Mar 94

[By reporter Zheng Feifei (1728 7236 7236)]

[Text] Shenyang, 1 Mar (XINHUA)—The Gaosheng Oilfield has explored and found a whole set of technologies for recovering dense oil [chou you 4464 3111] from deep wells and enabled China's dense oil industry to reach the advanced world level after tackling key problems during the "Sixth Five-Year Plan," the completion of necessary accessories during the "Seventh Five-Year Plan," and improvement and perfection during the first three years of the "Eighth Five-Year Plan."

The Gaosheng Oilfield is under the jurisdiction of the Liaohe Oilfield Administration, and is located in areas of Panshan and Taian Counties, Liaoning Province. It is a base for recovering dense oil from medium and deep wells. The total area with oil is 14.5 square kilometers and the total geological deposit is 100 million tonnes. Most of the deposit is irregular [yi chang xing 8381 1603 1840] dense oil, and the oil horizon is as deep as 1,500-1,700 meters. It is one of the deepest dense oil fields being tapped in the world today.

In 1977, the Petroleum Industry Ministry decided to turn the Gaosheng Oilfield into China's first dense oil development and experimental zone and make a plan to "gain experience, train talented people, and yield output."

"People in Gaosheng" plunged themselves into the work of opening up the oilfield in the spirit of "giving their lives for science." During the "Sixth Five-Year Plan" period, they imported and absorbed advanced technologies from abroad. They tested self-gushing by means of hot water circulation under the well, self-gushing by means of lowering an electric cable under the well [jing xia dian lan jiang zhan zi pen 0064 0007 7193 4968 7100 4724 5261 0899], self-gushing of oil with water flooding under the well, the conventional method of extracting heavy oil with water flooding under well, extracting oil by lowering water [chan huo xing shui jiang zhan chou you 2296 3172 1840 3055 7100 4724 2132 3111], and other technologies. They successfully explored the "12-character" complete technology suitable for recovering dense oil from deep wells, namely "big machine, long pump, thick tube, strong lever, deep under, and tap oil [chan you 2296 3111]," which can be used as a model for reference by other dense oilfields. They honorably received the state's scientific and technological progress prize of the first class for their experiment in recovering dense oil.

During the "Seventh Five-Year Plan" period, the Gaosheng Oilfield entered a period of high production

and reached the goal of producing 1 million tonnes of petroleum steadily and annually three years ahead of the development plan. Their oil recovering speed exceeded the average speed of thin oil fields in the country. Gaosheng Oilfield became the country's only dense oilfield receiving the title of "oil field with high efficiency." Despite their achievements, they have not slackened their efforts to tackle scientific and technological difficulties and achieved another major breakthrough in oil recovery technology. In recovering dense oil, they carried out large-scale experiments on sucking and discharging steam, and gradually used domestically produced boilers. Their research and manufacturing of air-filled oil wells [zhu qi jing tian 3137 3086 0064 3944], heat separation tubes, gas sealers, and other items all reached or were close to the world advanced level. During the "Seventh Five-Year Plan" period, the Gaosheng Oilfield also completed a ground transportation system for petroleum, and changed the past practice of carrying oil by horse-drawn wagons and oil drum cars. It has also realized fully automatic computerized management technology, and its oil transportation technology also reached the world advanced level.

Since entering the "Eighth Five-Year Plan" period, the Gaosheng Oilfield continued to raise its oil recovery rate and engaged in difficult scientific and technological research projects, including steam flooding technology [zheng qi gu pei tao gong yi ji shu 5544 3086 7517 6792 1152 1562 5669 2111 2611], steam sucking and discharging technology, sand prevention for oilfields, and other subjects. In recent years, it has been carrying out over 10 technological innovations each year and maintaining the oil production quantity. As of the end of last year, the Gaosheng Oilfield produced an accumulated total of 11.81 million tonnes of oil for the state.

CPC Circular on Study of Economy Theory

OW0404001894 Beijing XINHUA Domestic Service in Chinese 1202 GMT 28 Mar 94

[The General Office of the CPC Central Committee Issues a Circular Concerning Organizing the Broad Masses of Cadres To Conscientiously Study the Theory and Basic Knowledge of a Socialist Market Economy]

[Text] Beijing, 28 Mar (XINHUA)—The General Office of the CPC Central Committee [CPC CC] recently issued a circular urging the party committees of all levels to organize the broad masses of cadres to conscientiously study the theory and basic knowledge of a socialist market economy.

The circular pointed out: At present, the whole party and the whole country are striving to carry out the guiding spirit of the 14th National CPC Congress and the decision of the Third Plenary Session of the 14th CPC CC. China's economic re-structuring has developed to a new stage where overall progress and major breakthroughs are integrated. In China, the establishment of a socialist

market economy and further emancipation and development of the productive force mean a great creative undertaking, an arduous and complex project involving all of society, and a brand new subject which should be handled properly in establishing socialism with Chinese characteristics. Facing the new situation and tasks, we are confronted with many unfamiliar and incomprehensible things which require our earnest and arduous efforts to study them. How well cadres of all levels and particularly leading cadres study the subject has great bearing on persisting in carrying out the party's basic line to the fullest extent, on initially establishing a socialist market economy by the end of this century, and on smoothly carrying out the second strategic goal of national economy and social development. For this purpose, the CPC CC has decided to urge the broad masses of cadres to conscientiously study the theory and basic knowledge concerning a socialist market economy during the course of organizing comrades of the whole party to study and master Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics.

Concerning the major content and basic requirement of the study, the circular points out:

1. The establishment and development of a socialist market economy constitutes an important part of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. This theory is an ideological weapon which we must master in carrying out our economic restructuring. In studying the theory of a socialist market economy, we must, first of all, comprehensively and systematically study relevant expositions in Comrade Deng Xiaoping's works to understand the guiding spirit and essence of his ideas. The report of the 14th National CPC Congress and the decision of the Third Plenary Session of the 14th CPC CC, which are formed with the theory of building socialism with Chinese characteristics as a guide, must be used as required reading materials for studying the theory and basic knowledge of a socialist market economy. It is necessary to understand in a broad and deep-going way from these materials the guiding ideology, target requirements, basic principles, major links, and work arrangements for conducting this reform. It is imperative to study various principles, policies, and reform plans adopted by the CPC CC, as well as relevant laws and regulations in an effort to carry out a socialist market economic system. Meanwhile, it is necessary to pay attention to the study of basic knowledge of a socialist market economy. The book entitled "What a Socialist Market Economy Is," jointly compiled by the Development Studies Center under the State Council and the Chinese Academy of Social Sciences, can be used as a popular textbook. Cadres at all levels, no matter whether they are engaged in economic work or otherwise, should have a full understanding of the importance of the study and enhance their self-awareness and sense of urgency.

2. It is necessary to adhere to the principle of linking theory with practice and manage to apply what one has learned. Guided by Comrade Deng Xiaoping's theory of

building socialism with Chinese characteristics, and based on China's basic socialist system and economic development, we should emancipate the mind, seek truth from facts, and conscientiously study and boldly borrow all useful experiences of other countries of the world that conform with the rule of modern socialized production during the course of developing their market economy. Efforts should be made to integrate the study of the theory and basic knowledge of a socialist market economy as well as the party's principles and policies with the summing up of practical experiences of each locality, department, and unit in carrying out reform and economic construction and with the efforts to study and resolve understanding problems and working problems in the current reform drive.

3. Efforts should be made, through study and education, to ensure that cadres at all levels will achieve practical results in the following three aspects: First, it is necessary to further unify the ideology to carry out the guiding spirit of the 14th National CPC Congress and the Third Plenary Session of the 14th CPC CC. We must correctly understand the intrinsic characteristics of a socialist market economy and have full understanding of the necessity, urgency, and arduousness of setting up this new economic system so as to strengthen the self-awareness and resolution of carrying out the party's line, principles, and policies, and to push forward and support the reform with one heart and one mind. Second, it is necessary to master the theory and basic knowledge of establishing a socialist market economy as well as relevant principles and policies, strive to understand and handle issues involving new theories and ideas, be bold in exploration and practice, promptly sum up new experiences, continuously enhance working standards, and gain initiative in pushing forward reform and economic development. Third, it is necessary to have an all-round understanding of the inner relationship between developing a socialist market and rigidly following the principle of the party spirit in running business, consciously uphold the party's ideal and faith, and persist in a correct sense of value, integrity, and self-discipline so as to resist the corrosion of passive and corrupt phenomena and withstand the new test faced in the new period.

Concerning the methods and measures of the study, the circular points out:

1. Teaching plans for all regular training classes of party schools, institutes, and centers at all levels should be properly readjusted to arrange necessary time for teaching special courses such as the theory and basic knowledge of a socialist market economy, as well as relevant plans, principles, and policies for the reform. In addition, rigorous checks and evaluations of such efforts should be carried out.

2. Party schools, institutes, and centers at all levels should sponsor, in a planned way, backbone cadres' training classes and special topic study classes for the study of the theory and basic knowledge of a socialist market economy.

3. It is necessary to organize on-the-job studies for the majority of cadres. Necessary time for the studies must be ensured in accordance with various situations. The study methods should proceed from reality and be flexible and varied in form. In general, the method of releasing cadres from work to enable them to study in classes can be integrated with that of individual studies. Other methods include a combination of reading, supplementary lectures, and discussion.

4. The central study groups of the party committees at all levels should treat the study of the theory and basic knowledge of a socialist market economy as one of the important elements and strive to study them better and genuinely play exemplary roles.

5. It is necessary to launch a publicity campaign to educate the people about the knowledge of a socialist market economy by putting mass media to full use. The central television station as well as provincial, autonomous regional, and municipal television and radio stations should arrange proper times for broadcasting special supplementary lectures. All localities and units should organize cadres to watch or listen to these programs. In accordance with needs, some video or audio tapes may be produced as a supplementary aid to cadres' studies. Newspapers, publications, and propaganda and public opinion departments must closely coordinate this educational campaign and launch their work purposely to give publicity to good study experiences.

Concerning the organizational and leading work, the circular emphatically points out:

1. Party committees at all levels should conscientiously strengthen their leadership by paying great attention to the study and education of the theory and basic knowledge of a socialist market economy among all cadres. Major efforts should be made to ensure a success in the study and education of leading cadres of party committees and governments, cadres of economic administration, and cadres in charge of the management of the state-owned large- and medium-sized enterprises on or above county level. Localities should formulate practical plans and, in accordance with the characteristics and the needs of practical work of those cadres who are in various trades, professions, departments, and levels, put forward various specific requirements and adopt various methods for the study and education. In addition, they should pay great attention to carrying out these plans. In order to achieve effective results, it is necessary to have good preparation for and regular inspections of the work. Efforts should be made to avoid formalism. Cadres' study should be considered as an important content of their evaluation. Under the unified leadership of the party committees, party organization departments as well as publicity departments of the party committee at all levels should be responsible for carrying out the work of organizing and implementing study and education.

2. The State Economic and Trade Commission is responsible for the unified arrangement of the study and

education of enterprises' leading cadres and administrative personnel. The Work Committee for Organs under the CPC CC and the Work Committee for Central Government Organs shall arrange for the study and education of cadres working for the CPC CC and the state organs.

3. Each level is responsible for its own work, with a higher level supervising lower levels. The Organization Department and the Propaganda Department of the CPC CC will conduct a selective inspection by the end of this year on the study of the central studying groups of all provincial, autonomous regional, and municipal party committees as well as on that of the central study groups of the party committees (party organs) of the CPC CC and the state organs.

Text of Provisions on Exchange Control

OW0404023994 Beijing XINHUA Domestic Service in Chinese 1547 GMT 26 Mar 94

[Text] Beijing, 26 Mar (XINHUA)—Zhu Rongji, vice premier of the State Council and governor of the People's Bank of China [PBC], today signed PBC decree No. 3 to promulgate the "Interim Provisions on the Control of Exchange Settlements, Sales, and Payments." The provisions were approved by the State Council on 24 March 1994, and will go into effect on 1 April 1994. The full text of the "Provisions" is as follows: Interim Provisions on the Control of Exchange Settlements, Sales, and Payments.

Chapter I. General Rules

Article 1. The following provisions were specially formulated for the purposes of standardizing exchange settlements, sales, and payments and realizing conditional convertibility of renminbi under current accounts.

Article 2. Authorized banks for dealing in foreign exchange must handle exchange settlements and sales, open foreign exchange accounts, and make payments.

Article 3. Various foreign exchange receipts of all domestic enterprises, public institutions, government agencies, and social organizations within the boundaries of China (hereinafter referred to as "organizations in China") must be repatriated in a timely manner. These organizations in China must handle exchange settlements and purchases, open foreign exchange accounts, and make payments in accordance with the Provisions.

Chapter II. Exchange Settlements

Article 4. Aside from those defined by Articles 5 and 6 of the Provisions, all the following foreign exchange receipts obtained by organizations in China must be settled and sold to authorized banks for dealing in foreign exchange:

1) foreign exchange receipts earned from exports, transit goods whose payments were made before deliveries are taken, and other trading activities;

- 2) foreign exchange receipts earned from winning international tenders financed by overseas loans;
- 3) foreign exchange receipts earned from dealing in duty-free commodities within the boundaries of China under the supervision of customs;
- 4) foreign exchange receipts earned by such trades and professions as communications and transportation (including all types of means of transportation), ports (including harbors and airports), posts and telecommunications (excluding international remittances and exchange), tourism, commercials, consultations, exhibitions, consignment sales, and maintenance, and by various agents of business providing commodities or services;
- 5) foreign exchange receipts by administrative and judicial organs from the payment of various stipulated fees and penalties;
- 6) foreign exchange receipts from the transfer of such intangible assets as rights for land use, copyrights, trademark ownership, patent rights, technologies without patent rights, and business reputations;
- 7) foreign exchange receipts from sales of real estate and other assets to buyers outside the boundaries of China;
- 8) inbound remittances of foreign exchange profits made by enterprises which have made investments outside the boundaries of China, amounts of foreign exchange recovered from projects involving economic assistance to foreign countries, and foreign exchange receipts from assets outside the boundaries of China;
- 9) foreign exchange receipts from claims filed to foreign firms for compensation and foreign exchange receipts from the return of warrant money;
- 10) foreign exchange receipts from insurance organizations handling insurance businesses involving foreign exchange;
- 11) income from financial institutions that have obtained "permits for dealing in foreign exchange businesses" for conducting business operations in foreign exchange;
- 12) foreign exchange receipts from foreign donations, subsidies, and aid; and
- 13) other foreign exchange receipts that must be settled as per stipulations of the State Administration of Exchange Control.

Article 5. In dealing with the following foreign exchange receipts, organizations in China may apply with the State Administration of Exchange Control or its branches (hereinafter referred to as "foreign exchange bureaus") to open foreign-currency accounts in banks authorized to deal in foreign exchange and to settle foreign exchange transactions in accordance with relevant provisions:

- 1) foreign exchange receipts earned by companies from contracted projects outside the national boundaries, from labor services to foreign countries, from technical cooperation with foreign countries, and from other services;
- 2) foreign exchange receipts that are payable and are collected by organizations acting as agents abroad or outside the national boundaries;
- 3) payable or yet-to-be-settled foreign exchange receipts collected on an interim basis, including cash deposits remitted from outside the national boundaries for bidding purposes and for performing contractual obligations, foreign exchange receipts earned from entrepot trade in which goods are delivered before payments are made, foreign exchange proceeds derived from international foreign exchange business conducted by postal and telecommunications departments, foreign exchange receipts collected by first-category travel agencies as advance payments from foreign tourist organizations, foreign exchange proceeds collected by railway departments from insured transportation services outside the national boundaries, and foreign exchange receipts collected by customs authorities as cash deposits and mortgage payments; and
- 4) premiums earned by insurance agencies from foreign exchange insurance business and reinsurance business, as well as premiums that have yet to be settled.

All proceeds remaining from the aforementioned foreign exchange receipts after the latter are settled on a regular basis in accordance with the accounting system shall be sold to banks authorized to deal in foreign exchange.

Article 6. Foreign-currency accounts may be opened in banks authorized to deal in foreign exchange for the following foreign exchange transactions which need not be settled through the banks:

- 1) foreign exchange used, with the state's approval and after examination and verification by foreign exchange bureaus, specifically to repay foreign exchange debts incurred within and outside the national boundaries;
- 2) foreign exchange paid as cash donations outside the national boundaries in accordance with agreements on cash donations;
- 3) foreign exchange earned from loans made outside the national boundaries and from foreign currency debentures and stocks issued outside the national boundaries;
- 4) foreign exchange remitted by legal or natural persons outside the national boundaries for investment purposes;
- 5) foreign exchange held by foreign embassies and consulates in China, by international organizations, and by organizations in China that represent legal entities outside the national boundaries;

- 6) foreign exchange held by foreign-funded enterprises; and
- 7) foreign exchange held by residents and visitors to China.

Article 7. When opening foreign-currency accounts in banks authorized to deal in foreign exchange, organizations in China that are allowed to open such accounts per Articles 5 and 6 of these provisions shall produce certificates issued by foreign exchange bureaus after verification.

Chapter III. Foreign Exchange Sales

Article 8. In making foreign-currency payments for the following commercial and noncommercial business, organizations in China shall make payments in banks authorized to deal in foreign exchange upon producing valid commercial bills that correspond to the payment methods and valid certificates:

- 1) importing goods subject to quotas or product-specific controls on the strength of licenses or import certificates issued by relevant departments and corresponding import contracts;
- 2) importing goods under the voluntary registration system on the strength of corresponding registration documents and import contracts;
- 3) importing goods other than those mentioned in the preceding two paragraphs in conformity with state import management provisions on the strength of import contracts.

Valid certificates or relevant ratification documents mentioned in items one through three shall be produced when making advance payments (within the prescribed amounts), when paying cash deposits, and when defraying outstanding payments, transportation costs, insurance premiums, and ancillary expenses that fall under the areas mentioned in items one through three. The same documents shall be produced when paying commissions (within the prescribed amounts), transportation costs, insurance premiums, and ancillary expenses that fall under the areas mentioned in items one through three.

- 4) purchasing goods from bonded zones and warehouses and buying goods brought in from abroad for exhibitions on the strength of valid certificates mentioned in items one through three;
- 5) importing intangible assets such as patents, copyrights, trademarks, and computer software on the strength of import contracts or agreements;
- 6) compensating foreign companies in foreign exchange that falls under the areas involving the strength of exchange settlement certificates, claims agreements, claims settlement certificates, and exchange refund certificates;

7) paying cash deposits for bidding on contracted projects in foreign countries on the strength of bidding documents; paying cash deposits for performing contractual obligations and making advance payments for projects on the strength of agreements.

Article 9. Authorized banks for dealing in foreign exchange will effect payments to foreign companies against detailed payment lists submitted by organizations in China, who are banks' clients, for the following expenses incurred by trade and nontrade business operations, and will verify the detailed payment lists after payments are effected:

1) payments against imports of materials for processing and reexport when such imports are supported by contracts for processing imported materials approved by foreign trade and economic cooperation departments;

2) payments by companies approved by the State Council to deal in duty-free commodities against imports of duty-free commodities within the scope of their authorized business operations;

3) payments by civil aviation, sea freight, and railway departments (organizations) for international combined transport charges, equipment maintenance expenses, expenses for the use of terminals, airports, and harbors, fuel supply charges, insurance premiums, leasing expenses which are not financed, and other service charges incurred outside the boundaries of China;

4) payments by civil aviation, sea freight, and railway departments (organizations) as meal and allowance subsidies to their personnel engaged in international operations; and

5) payments by posts and telecommunications departments for expenses incurred by international posts and telecommunications business operations.

Article 10. Organizations in China that intend to make the following payments to foreign companies for trade and nontrade business operations may submit exchange sales slips issued by foreign exchange bureaus to authorized banks for dealing in foreign exchange for conversion and effecting payments:

1) advance payments and commissions which exceed the prescribed ratio; and

2) payments to foreign companies incurred under the item of transit goods whose payments were made before deliveries are taken.

Article 11. Foreign exchange needed by government agencies, domestic enterprises, and public institutions for payments against nontrade expenses and expenses not incurred by business operations which are covered by budget shall be processed in accordance with the "Interim Provisions on Financial Management of Nontrade and Non-Business Operations-Related Foreign Exchange."

Article 12. If organizations in China need the following foreign exchange for extra-budgetary payments against expenses not incurred by business operations, they may submit exchange sales slips issued by foreign exchange bureaus to authorized banks for dealing in foreign exchange for conversion and effecting payments:

1) foreign exchange needed for payments against expenses incurred by sponsoring exhibitions, trade fairs, and training sessions outside the boundaries of China, and by shooting motion pictures and TV films also outside the boundaries of China;

2) expenses for propaganda to foreign countries, foreign aid expenses, donations in foreign exchange to foreign countries, membership fees for international organizations, and registration fees for participating in international conferences;

3) expenses needed for establishing representative offices or organizations outside the boundaries of China and outlays for their operations;

4) payments made by the Examination Coordination Center of the State Education Commission for examination fees outside the boundaries of China; and

5) other foreign exchange needed for payments against expenses not incurred by business operations.

Article 13. Foreign exchange for the following non-trade and non-business needs of individuals shall be sold according to relevant provisions by the designated foreign exchange banks authorized by the foreign exchange bureau:

1) foreign exchange conversion of renminbi wages and separation pay issued to foreign experts hired working in China;

2) foreign exchange needed by individuals for private trips abroad;

3) foreign exchange conversion of retirement pay, separation pay, and pensions of individuals who leave China for immigration purposes; and

4) foreign exchange for mail order purchase of a small amount of medicine or medical care articles outside China needed by residents in China;

Article 14. By showing valid proofs, organization in China may buy foreign exchange at designated foreign exchange banks to meet the following capital-related needs:

1) by showing the loan agreement and the debtor organization's payment notice, to buy foreign exchange for the purpose of paying principal, interest, and fees of foreign exchange loans extended by financial institutions in China;

2) by showing the guarantee contract and the debtor organization's payment notice, to buy foreign exchange for the purpose of fulfilling foreign exchange guarantee contracts in China; and

3) by showing the dividends distribution decision of the board of directors and the tax payment proof, to buy foreign exchange for the purpose of paying government-approved foreign exchange dividends of shares.

Article 15. By showing valid proofs, organizations in China may apply for approval from the foreign exchange bureau to buy foreign exchange for the following capital-related needs; and with the approving document of the foreign exchange bureau, they may buy the needed foreign exchange at designated foreign exchange banks:

1) by showing "foreign debt registration" or "foreign exchange (transferred) loan registration" and the debtor organization's payment notice, to apply for foreign exchange to meet the needs of servicing foreign debts or paying the principal, interest, and fees of foreign exchange (transferred) loans;

2) by showing the guarantee contract, the "foreign exchange guarantee registration certificate" issued by the foreign exchange bureau, and the debtor organization's payment notice, to buy foreign exchange for the purpose of fulfilling foreign exchange guarantee contracts outside China;

3) by showing the approving document of the department in charge of investment projects, and the investment contract, to buy foreign exchange for investment outside China; and

4) by showing the approving document of the department in charge of investment projects, and the contract, the Chinese investor of a joint venture may buy foreign exchange to meet the needs of the approved registered foreign exchange capital.

Article 16. In order to convert and remit to areas outside China their legitimate renminbi income (such as visa and notary fees), foreign diplomatic missions may request the remittance and buy the needed foreign exchange at designated foreign exchange banks authorized by the foreign exchange bureau.

In order to convert and remit to areas outside China their legitimate renminbi income (such as income from passenger and cargo transport of the Chinese offices of foreign airlines), the Chinese office of a corporation outside China may apply for the remittance at the foreign exchange bureau by displaying appropriate documentation, and after obtaining the foreign exchange sales notice issued by the foreign exchange bureau, it may buy the needed foreign exchange at designated foreign exchange banks.

Article 17. When leaving China, foreigners, overseas Chinese and Hong Kong, Macao and Taiwan compatriots who stay in China temporarily may, by showing their passports and the original exchange receipts (valid

for six months), convert unused renminbi back into foreign exchange and take it out of China. Chapter IV. Foreign Exchange Payments [subhead]

Article 18. If foreign currency account holders need to make payments to areas outside China, they shall first use the balances from their accounts to make the payments, provided the payments conform to the authorized purposes of the foreign currency accounts; foreign exchange may be bought only if the payment is for other than the authorized purposes of the foreign currency account, if the payer does not have a foreign currency account, or if the balance of the account is insufficient to make the payment.

Article 19. If a payment is made using funds from a foreign currency account, the bank keeping the account shall handle the payment after reviewing it in accordance with the purposes of the foreign currency account and the relevant provisions in Chapter III.

Article 20. A payment, either with purchased foreign exchange or with funds from a foreign currency account, shall be made on the date prescribed by the relevant accounting methods and contract, and must not be made ahead of the prescribed date.

Article 21. If payment of the principal and interest on a debt owed outside China must be made before the prescribed date, the payee must first obtain approval from the foreign exchange bureau before being permitted to buy the necessary foreign exchange and make the payment.

Chapter V. Supplementary Provisions

Article 22. To help organizations which sign long-term forward payment contracts or debt servicing agreements avoid risks resulting from fluctuations in the exchange rate, the designated foreign exchange banks shall offer them long-term forward sales of renminbi and foreign currency and other value-ensuring services according to relevant provisions.

Article 23. It is impermissible to buy foreign exchange or use the balance of foreign currency account to pay for imports of barter trade.

Article 24. A designated foreign exchange bank shall set up a counter account for an export enterprise up to the amount of 50 percent of its total exchange settlement. The export enterprise shall obtain foreign exchange to meet export expansion needs (including import of materials for processing and packing materials, export bases, claims, freight and insurance, after-sale service, and other trade-related expenses) in accordance with Article 8 and Article 9 of these Provisions. The foreign exchange bank shall deduct a corresponding amount from the balance of its counter account.

Article 25. The designated foreign exchange banks shall submit to the foreign exchange bureau their 10-day

[thrice-monthly] report on foreign exchange settlements, foreign exchange sales, and foreign exchange payments.

Article 26. Organizations in China may select a designated foreign exchange bank in their place of registration to handle their foreign currency accounts, exchange settlements, and foreign exchange business, and they shall report their bank selection to local foreign exchange bureaus for the record.

Banking facilities handling foreign exchange business and other organizations in China handling exchange settlements, foreign exchange sales, and foreign exchange payments shall unconditionally accept the foreign exchange bureau's supervision and inspection and shall show or provide relevant materials to the bureau.

Article 27. The foreign exchange bureau may impose penalties, including fines and suspension of exchange settlements, foreign exchange sales and foreign exchange payment businesses, on violators of these Provisions.

Article 28. The articles in Chapter III of these Provisions are not applicable to foreign-funded enterprises.

Article 29. These Provisions shall be interpreted by the State Administration on Exchange Control.

Article 30. These Provisions shall be implemented as of 1 April 1994. If previous provisions contravene these Provisions, these Provisions shall apply.

East Region

Anhui Capital Sets Up Science, Technology Market

OW0304154794 Beijing XINHUA Domestic Service in Chinese 2101 GMT 23 Mar 94

[By reporter Guo Qinghua (6753 1987 5478) and correspondent Zhang Lixin (1728 4539 2450)]

[Text] Hefei, 24 Mar (XINHUA)—Hefei city, which enjoys the reputation of "science and technology city," saw another addition to its scientific and technology landscape—the recent opening of China's first Chinese and foreign-invested science and technology market.

The science and technology market was set up by the Development Company of the China University of Science and Technology to develop scientific and technological resources. The company has built a modern, first-class, and advanced Hefei Scientific and Technological Square, also called "east China's silicon valley," outside the China University of Science and Technology. More than 100 Chinese and foreign institutions engaged in application and development of high technology have rushed to establish branch offices here.

The development company took a new measure to develop and invigorate the scientific and technological market. It established a science and technology market fund, the first such fund in the country. In the first stage, it invested 20 million yuan in the market to accelerate the commercialization of scientific and technological products by giving support to projects undertaken by market members that have entered the middle stage of experimentation, to scientific research and development projects that have practical applications, and projects in need of urgent support.

Anhui Province Improves Farming Conditions

OW0104084694 Beijing XINHUA in English
0812 GMT 1 Apr 94

[Text] Hefei, April 1 (XINHUA)—More input into agriculture has helped Anhui Province, one of China's key agricultural producers, improve its farming conditions.

The province has built more than 4,500 reservoirs and dug a network of river courses and ditches since the late 1970s when the country began its rural reform.

At present, the province has brought 2.63 million hectares of farmland under irrigation, which may secure a good crop despite drought or excessive rain.

"Science has played an important role in Anhui's agricultural development," a provincial official in charge of agriculture said.

The Anhui Academy of Agricultural Sciences alone has since 1986 made 189 research achievements. Many of them have been applied in production.

One survey shows that farmers in Anhui have spent 5.6 billion yuan in purchasing farm machines.

Fujian To Produce Electricity With Overseas Funds

OW0304135594 Beijing XINHUA in English
1333 GMT 3 Apr 94

[Text] Fuzhou, April 3 (XINHUA)—The electricity-short Chinese province of Fujian will utilize overseas capital to build more power stations in the years ahead.

In the past, only state or collectively-owned organizations were allowed to construct and run power plants.

This policy hampered the development of Fujian's power resources, which include many rivers with steep drops suitable for hydro-electric power stations.

While thermal power plants have very limited output due to the province's lack of coal, less than 22 percent of the hydraulic resources were utilized. As a result, this southeast China's coastal province is left with a shortage of several hundred millions of kwh of electricity per year.

Since the mid-1980s, however, Fujian has used 800 million U.S. dollars from overseas investors to build several power plants.

The provincial authorities recently announced new policies to encourage foreign investment in construction and management of local power stations. Several projects have been set for tenders, according to relevant departments.

Fujian Becomes No. 1 Blue Jeans Producer

OW0304144494 Beijing XINHUA in English
1356 GMT 3 Apr 94

[Text] Xiamen, April 3 (XINHUA)—The delta of southern Fujian has become the largest manufacturing center of blue jeans in China.

From the streets to garment shops, in the post offices and on goods trains, blue jeans dot the landscape all year round in the Xiamen-Quanzhou-Hangzhou delta.

The industry took off after blue jeans gained instant popularity when they were introduced to the area from Hong Kong and Taiwan in the 1980s.

The past decade witnessed garment factories "spring up like bamboo shoots after spring rain". No-one can tell the exact number of these factories and the amount of their production except that truck-load upon truck-load of the clothes are being transported to other parts of China daily.

Many big producers have set up special counters in department stores in large cities. Some have even made inroads in other countries' markets.

In the midst of tough competition, manufacturers are upgrading equipment and turning out new designs at an increasingly faster rate.

As a local factory director puts it: "Only when you lead the trend can you survive."

Hefei High-Tech Development Zone Makes Progress
OW0104102394 Beijing XINHUA in English
1002 GMT 1 Apr 94

[Text] Hefei, April 1 (XINHUA)—The construction of a state-level high-tech industrial development zone in this capital of Anhui Province, east China, is progressing steadily.

At present, the zone is speeding up construction of workshops, public facilities and residential quarters with a combined floor space of 400,000 sq m, as well as roads, telecommunication and power- and water-supply facilities.

The city government has opened service offices at the zone to better serve enterprises and organizations.

Located on the outskirts of Hefei, the zone had housed 229 enterprises and 277 projects with a total investment of 2.13 billion yuan by the end of February this year.

Included were 55 overseas-funded enterprises with a combined investment of 184 million U.S. dollars.

The projects are involved mainly in the fields of micro-electronics, telecommunications, optical fiber communications, combinations of machinery and electrical appliances, bio-engineering, energy-efficient technology and medicine.

Five Criminals Sentenced to Death in Shanghai
OW0304093294 Shanghai People's Radio Network in Mandarin 2300 GMT 1 Apr 94

[From the "Morning News" program]

[Text] The Shanghai Intermediate Railway Transportation Court held a meeting in Nanjing yesterday [1 April] to pronounce sentences. It publicly sentenced according to law 17 criminals involved in four cases. Criminals Bao Yucai, Zhang Hongxing, Chu Zhi, Gao Tongfeng, and Wang Changjiang were sentenced to death. They were escorted to the execution ground and executed by shooting. The rest were sentenced to death penalty with reprieve, life imprisonment, or jail terms.

These criminals are all guilty of the most heinous crimes they committed on trains, and their acts greatly endangered passengers.

More Shanghai Residents Hold Credit Cards
OW0104122194 Beijing XINHUA in English
1116 GMT 1 Apr 94

[Text] Shanghai, April 1 (XINHUA)—"Credit card in hand, you can travel around China," an outdated commercial slogan, has actually become true for more and more residents here.

Li Zhong, an employee in a local import and export company, recently bought an air conditioner with his master card in a department store near his home.

He has become used to doing daily shopping and treating his clients with a credit card.

"We had to carry large amounts of cash in the past," he said. "Now credit cards make our lives much easier."

Credit cards only came into common citizens' lives in the past couple of years.

Last May, Li's company provided all its employees with credit cards. Two-thirds of each employee's monthly salary is deposited into the card's account.

At present, credit cards in use in Shanghai include "Great Wall" of the Bank of China, "Peony" of the Bank of Industry and Commerce, "Pacific Ocean" of the Bank of Communications, "Master" and "VISA" cards of the Bank of Construction, and "Jinshui" (Golden Wheat Ears) and "Baiyulan" (White Magnolia) of the Bank of Agriculture.

At least 200,000 Shanghai residents hold credit cards and use them in some 2,000 hotels and department stores.

In 1993, consumables bought with credit cards in the city reached more than 1.4 billion yuan in value.

To unite the different credit card systems and facilitate card holders, Shanghai started the "Golden Card Project" last winter and established the Shanghai Credit Card Network Co., Ltd., which mainly administers a credit card network information system covering the whole city.

Foreign Exchange Center To Open in Shanghai

OW0104080494 Beijing XINHUA in English
0739 GMT 1 Apr 94

[Text] Shanghai, April 1 (XINHUA)—The China foreign exchange center will officially go into operation in this the country's largest economic center April 4.

"This will be the first national foreign exchange center since the founding of the People's Republic of China in 1949, and a key step in the national banking reform this year," an official of the center said.

"It will pave the way for the country to develop a market economy," he noted.

Serving as an inter-bank foreign exchange market, the China foreign exchange center will adopt a membership system and develop into a non-profit and independently accounting organization. The membership is believed to include 30 large banks of China and 90 other banks involving foreign capital and monetary institutions.

Already the center has linked itself with foreign exchange markets in Beijing, Tianjin and Hangzhou, capital of Zhejiang Province, and Shenzhen and Guangzhou in Guangdong Province, during the trial operation in March.

China succeeded in unifying the dual-track foreign exchange rate system with a smooth market operation and a stable foreign exchange rate in the first quarter of this year.

It will begin an overall reform of its foreign exchange system starting today.

Shanghai To Show More Products at World Fairs

*OW0104022294 Beijing XINHUA in English
0141 GMT 1 Apr 94*

[Text] Shanghai, April 1 (XINHUA)—Shanghai will send a delegation to the '94 Osaka International Fair in mid-April.

The 150-strong delegation consists of manufacturers, salesmen, and managers from more than 50 Shanghai companies.

In a bid to help more domestic firms enter the world market, this year the Shanghai Council for the Promotion of International Trade plans to organize 23 delegations to attend overseas exhibitions in Australia, France, the Netherlands, Germany, Japan, Israel, the United States, South Africa, Russia as well as Hong Kong.

About 450 companies took part in overseas exhibitions in 1993. The total business volume transacted at 24 world fairs topped 150 million U.S. dollars and a range of cooperation projects were signed.

Shanghai enterprises received orders of goods worth 572 million U.S. dollars at the East China Export Commodities Fair held earlier this year.

Central-South Region

Hainan Holds Meeting on Commodity Price Probe

HK3003090494 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 25 Mar 94

[Text] Yesterday morning [25 March], the provincial government held a mobilization meeting about a major commodity price investigation. Wang Xiaofeng, provincial party deputy secretary and provincial executive vice governor, presided over and addressed the meeting. Provincial Vice Governor Chen Suhou made a mobilization speech.

In his speech, Wang Xiaofeng pointed out: In recent years, our provincial economy has continuously advanced toward sustained, rapid, and healthy development. However, under the present situation of economic transformation, taking the opportunity of changes in tax and exchange rates and price reform, some enterprises, units, and individual commercial units have arbitrarily increased prices and collected fees. They have also arbitrarily raised prices of daily necessities and service charges. This has enhanced the pressure of inflation and caused higher price increase. In particular, the margin of price increase in our province ranks first in the country.

Due to excessive price rises, the burden of the masses has become heavier. Various quarters have a strong reaction against such price hikes. Therefore, curbing price hikes has now become a key to handling relations between development, reform and stability well.

Wang Xiaofeng stressed: Under the condition of socialist market economy, relying on market prices alone is not enough. The government still needs to control prices. It is necessary to organically integrate exercising control with lifting controls. Therefore, it is necessary to deepen reform and strengthen macroscopic regulation and control over commodity prices. It is necessary to control prices according to law and establish a supervisory system of the government. It is necessary to stabilize prices through developing production and ensuring supplies. It is necessary to implement measures of microscopic regulation and control by central authorities and to properly control investment and consumption demand, so that we can maintain market stability and speed up the pace of our province's economic development.

In his mobilization speech, Chen Suhou pointed out: Carrying out a major investigation of commodity prices is an important measure for strengthening macroscopic regulation and control and promoting healthy economic development. It is an effective form for strengthening supervision and examination of commodity prices under the condition of developing a socialist market economic system. In light of Hainan's practical conditions, the present investigation of commodity prices must grasp well the three integrations. In other words, the major investigation must be integrated with the practice of stopping collecting fees arbitrarily and lightening peasant burden. The major investigation must be integrated with strengthening macroscopic regulation and control and improving the price control system. Inspection, supervision, and coordinated services must be simultaneously grasped, so that temporary relief can be integrated with permanent solutions.

It has been learned that the present major investigation will be carried out in two stages. From the second half of March to 15 April, is propaganda and mobilization stage. Various departments and enterprises must carry out self-investigation and submit their own reports. From 16 April to the end of June will be the key examination, summation, and consolidation stage.

Henan Governor Discusses Development Needs

HK2903151494 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 14 Mar 94

[Text] The main theme of Premier Li Peng's government work report submitted to the Second Session of the Eighth National People's Congress [NPC] is: Grasping opportunities, deepening reform, expanding opening up, promoting development, and maintaining stability. This main theme is where the overall interests of the whole party and the whole country lie.

With such a theme in mind, this reporter yesterday interviewed provincial Governor Ma Zhongchen, who is also a Henan deputy to the on-going Second Session of the Eighth NPC in Beijing, on how to successfully press ahead with Henan's economic work and quicken Henan's development pace in the years ahead.

Ma Zhongchen said: Since reform and opening up, Henan has rapidly developed the economy as well as exploited and utilized superior local resources. In 1993, Henan's gross national product reached almost 160 billion yuan, representing a 10-fold increase over 1978. Nevertheless, due to the limitations of Henan's traditional planned economic structure, including the traditional regional economic setup, the shortage of funds and technology, and so on, Henan has remained to date as a principal producer and exporter of farm and sideline products, energy, raw and processed materials, as well as other key primary products. In view of this fact, Henan has yet to fully develop superior resources and raise resource exploitation efficiency.

Ma Zhongchen emphatically noted: The general train of thought regarding Henan's economic growth in the years to come should be: Quickening the pace of turning the province's national economy into a market economy, comprehensively implementing a strategy of building strong industry, improving agriculture, making urban economic development push ahead with rural economic development, effecting omnidirectional opening up, and attaining higher development goals, and take the road of development of carrying out intensive processing, exploiting superior resources according to international and domestic market demands, and turning resource superiority into economic superiority. This train of thought regarding Henan's economic growth was mapped out in a serious manner and in light of the realities in Henan.

Ma Zhongchen emphatically noted: In order to implement to the letter the aforementioned train of thought regarding Henan's development, we should first and foremost try to enhance a sense of a market economy, undergo four ideological transformations, and focus on three key aspects.

Ma Zhongchen noted: The four ideological transformations are as follows: 1. To build projects in light of market demands instead of available resources. 2. To develop an intensive processing industry capable of speeding up superior local resources exploitation rather than step up superior resources exploitation aimed at building an intensive processing industry. 3. To exploit resources in light of the international and domestic market demands rather than domestic market demands alone. At present, we should vigorously develop export-oriented industries, enterprises, and products. 4. To make full use of both overseas and domestic resources rather than local resources alone. To this end, we should make more use of overseas resources, including overseas funds, technology, qualified personnel, and information,

and turn them into a supplement to such local resources as land, farm and sideline products, mineral products, and labor.

The three key aspects are as follows: 1. To vigorously step up intensive processing of superior mineral resources so as to further develop coal energy industry, coal chemical industry, petrochemical industry, aluminium industry, and building material industry. 2. To successfully carry out intensive processing of farm and sideline products. 3. To bring local geographical superiority into full play and step up local human resources exploitation.

Ma Zhongchen pointed out: In order to really turn resource superiority into economic superiority, we should adopt practical and feasible measures and carry out work in a down-to-earth manner by devoting more energies to the following five things: 1. To deepen reform, adhere to the public ownership system as the basis, vigorously develop various economic factors, fully mobilize the enthusiasm of various parties concerned, and push ahead with Henan's overall economic growth. 2. To further expand opening up and make more use of foreign capital, technology, and qualified personnel. 3. To promote scientific and technological progress with an eye to raising technological levels and output of Henan's national economy. 4. To raise construction funds through more channels and in more forms and successfully build each and every key project. 5. To establish more lateral economic associations and invite coastal and hinterland provinces to invest in Henan and take part in Henan's resources exploitation.

Henan Grows Spring Crops on More Land

OW3003115594 Beijing XINHUA in English
1054 GMT 30 Mar 94

[Text] Zhengzhou, March 30 (XINHUA)—Farmers in central China's Henan Province have grown spring crops on 2.013 million hectares, an increase of 126,000 hectares compared with last year.

According to local officials, the area sown in cash crops in the province experienced an increase of 11.4 percent compared with that of last year, while local farmers have also been urged to maintain a stable grain growing area.

Among the cash crops sown, the growing area of cotton now reaches 778,800 hectares, 157,700 hectares more than last year's level, said the officials.

To ensure the success of this year's spring farming, the provincial government held a working meeting early this year to work out detailed plans for spring farming.

At the same time, the province also held a provincial-level briefing sending forth information concerning agriculture and helped to analyze market trends in connection with farm produce, as well as announcing to local farmers preferential policies from the central government regarding grain and cotton production.

The endeavor has effectively aroused the initiative of farmers in growing grain and other cash crops.

Local agricultural banks, supply and marketing cooperatives and departments of means of agricultural production have also moved in and managed to provide local farmers with necessary funds and means of agricultural production, such as chemical fertilizers, pesticides, plastic sheeting and seeds.

Hunan Implements New Foreign Exchange System

HK3003035094 *Changsha Hunan People's Radio Network in Mandarin 2300 GMT 25 Mar 94*

[Text] Hunan has scored initial results in operating the new foreign exchange administrative system. For a quarter of trial operations, the province basically realized the merger of foreign exchange rates, and initially shaped an operational mechanism characterized by a controlled floating rate based on market demand and supply, which participants at yesterday's provincial work conference on foreign exchange control fully affirmed.

Since the implementation of the new foreign exchange administrative system effective 1 January this year, great changes have taken place in the content and work focus of foreign exchange control. For this reason, the provincial foreign exchange administration has propagated and implemented the foreign exchange restructuring plan through various channels. The convergence and stable transition of the new and old foreign exchange administrative systems has effectively promoted the development of the province's undertakings in foreign economic relations and trade.

In the first two months of this year, the province's imports were on par with the same period last year. The province brought in \$260 million worth of hard currency through exports, up 33 percent on the same period last year, with exchange settlements of \$220 million, up 69 percent on the same period last year.

Editorial on Importance of Social Stability

HK0703104694 *Changsha HUNAN RIBAO in Chinese 13 Feb 94 p 1*

[Editorial: "Stability Is a Condition for Speeding Up Reform and Development"]

[Text] In the course of establishing our socialist market economy system, there always exists the problem of correctly understanding and handling well the relationship among reform, development, and stability. Development is an aim, reform a motive force, and stability a condition; none of them is dispensable.

Our country now has entered a new historical period of development. The entire party and people throughout the country are implementing the "Decision" of the Third Plenary Session of the 14th CPC Central Committee, and are struggling hard for the establishment of

the socialist market economy system. The whole country is experiencing political stability, economic development, nationality solidarity, and social progress. Just like various parts in the whole country, the situation in Hunan is also gratifying. However, we must realize soberly that factors of instability still exist in society. Internationally speaking, peace and development are the main theme and trend of the contemporary world, and this is beneficial to us. However, owing to the fact that the imperialists have not given up their designs for the subjugation of our country, and that they hate to see the rise of powerful China, they always have treated economic invasion, cultural infiltration, and political subversion as fixed policies against our country. They have tried to compel us to submit. A handful of hostile elements at home and a tiny number of sabotaging elements within society coordinate with reactionary forces abroad in an attempt to create trouble. In society, local russians, despots, and criminal elements are swollen with arrogance. Various kinds of criminal activities are rampant, and the number of gang crimes has increased. In some areas, the ugly phenomena of prostitution and the patronizing of prostitutes cannot be eliminated, despite repeated bans. Drug taking and drug trafficking also are spreading. As far as potential trouble is concerned, at present state-owned enterprises are suffering from severe losses, and the number of enterprises in a state of suspended or partially suspended production is rising, while the prices of goods are increasing by a fairly large margin. Some workers and staff members are encountering difficulties in their daily lives. Last year, our province suffered from the severe calamities of floods and waterlogging. In spite of the fact that various localities have taken active measures, and have done a solid job in providing disaster relief, and that the situation in those affected areas is good as a whole, many people there still have difficulties in their livelihood. In addition, we also face the historical problems of migration in the reservoir area, and of making proper arrangements for the placement of demobilized servicemen. If we fail to solve these problems well, they too might become factors for instability. For this reason, we must on no account treat them lightly. On the contrary, we must be prepared for danger in times of peace, and must attach importance to these factors of instability. In the meantime, we must take powerful measures to eliminate these factors so as to ensure the smooth progress of reform and development.

Some comrades ask: Since our present central task is to grasp reform and develop the economy, how can we spend time and effort on reform? This kind of understanding is incorrect. Comrade Deng Xiaoping has stressed repeatedly that the overriding issue in China is to maintain stability. It is, of course, correct to grasp reform and development wholeheartedly. Leaders at all levels must concentrate their efforts on reform, and must grasp economic construction. However, this does not mean that it is unnecessary for us to grasp stability. Stability, reform and development complement each other. Only by seizing on the fine opportunity, deepening

reform, and speeding up development can we consolidate the political situation of stability and unity. Only by safeguarding social stability can we guarantee the smooth progress of reform and development. It is a completely wrong view to set stability against reform and development.

The feelings of the masses are the key to social and political stability. This is what we call "popular feelings," or "people's will." At present, the problem of public order is a factor that affects the feelings of the masses. With regard to the problem of public order, public security departments, of course, must grasp it. CPC Committees and governments at all levels, and the number-one men of the party and government in particular, must treat the work of stabilizing public order as their own responsibility. If a place is always in a mess, if something happens here today and there tomorrow, if the masses are devoid of a sense of security, and if foreign businessmen do not dare to come, can the economy of the place develop? Can the reform there be deepened? If the secretary and county magistrate of the place are always busy dealing with these issues, can they concentrate their energy on economic construction, reform, and opening up? Therefore, it is imperative to grasp public order well, and to maintain social stability. Ensuring safety in each place should be regarded as a target for the term of office of our party and government leading cadres. This target should be linked directly with the assessment of their achievements in work, and their promotions and awards. Leaders at all levels must adopt forceful measures to grasp public order well, and to remove various kinds of instability factors and hidden dangers. They must make greater efforts to severely and strictly crack down on criminal, economic, and other offenders in accordance with the law. On no account should they be soft on them.

This year, nine major reform measures are to be promulgated in our province. They are unprecedented in terms of scope, depth, dynamics, and degree of difficulty. They definitely will touch on people's ideological concepts, and on the vital interests of the masses and cadres as well. Those who have a lower tolerance may be disgruntled in this way or that. This requires us to do the work of getting their thinking straightened out. For example, while carrying out housing reform, a number of people may have no money to buy their own houses for a period of time; they will complain about this. With regard to the reform of the medical system, some people who see doctors frequently must pay part of the medical expenses. Those cadres and masses who currently enjoy free medical care may feel more inconvenienced now than the past. They will have complaints about this. With regard to the masses who were affected by fairly serious natural disasters last year, and have encountered difficulties in their life, they will be disgruntled if we fail to help them solve these difficulties promptly. In particular, the problem of commodity prices can directly affect the "food baskets" and "grain bags" of the masses. Currently this is a hot topic for conversation among the

masses. In addition, public transport is also a problem that can affect the feelings of the masses. If we fail to take expeditious and decisive measures to curb price hikes and straighten out transport order, stability and unity will be affected. If we do our work well in this regard, it will play a very great role in maintaining stability. If we fail to handle this matter well, it will encourage the growth of those factors of instability. Therefore, leaders at all levels not only must set their sights on the development of reform, but also must pay attention to and make efforts to grasp social stability. They must go deep among the masses, listen to their voice, and understand their demands. They must be truly concerned about the weal and woe of the people, and must promptly help them solve difficulties arising in production, work, study, and livelihood. If their difficulties cannot be solved for a period of time, it is necessary to explain this to them. The masses are reasonable; as long as we keep them in our hearts, always think of them, and do our work for them in their households so that it strikes a chord in their hearts, the broad masses of people will conscientiously safeguard stability and unity. If the people's minds are at rest, and they unite as one to advance courageously, stability and unity can be ensured. There is no doubt that it will be beneficial to speeding up reform and accelerating development.

Today's situation of stability has not come about easily. All of society must conscientiously value and safeguard it. People's organizations and various circles in society must give play to their own strong points so as to help the party and government do mass work well, and make contributions to maintaining stability. As long as several hundreds of thousands of cadres, tens of thousands of party members, and millions upon millions of the masses can conscientiously safeguard stability and unity, social stability definitely can be consolidated day by day, and there will be fine conditions for reform and development. In this way, we can concentrate our efforts on promoting the economy, make a new leap forward, and advance to a new height by the end of this century.

Guangdong Police Open Fire on Rioting Villagers

HK0204062094 Hong Kong TA KUNG PAO in Chinese
2 Apr 94 p 2

[Report: "Civilians Clash With Police in Huiyang County"]

[Text] Several hundred civilians from Boguang Village, Xiayong Town, Huiyang County charged a police substation yesterday morning; consequently, the outer part of the substation was damaged and it became imperative to call for reinforcements. The higher authorities sent an anti-riot squad but it was not until guns were fired that the civilians were dispersed. In the incident, it was reported that quite a number of villagers were apprehended and two of them were wounded.

According to an on-the-spot report, at 0500 yesterday morning, four public security men from Xiayong Town

entered the village to apprehend two brothers, surnamed Chen, but were impeded. It was only when the public security men fired two shots that the mob was dispersed and the two wanted men were taken to Xiayong Police Substation.

It has been learned that some villagers believed that the village cadres had attempted to impede the provincial government's investigation into the case of the village selling land for profit, gained the initiative by striking first, and relied on the public security forces to hold the major witnesses in custody.

At 0800 yesterday, several hundred villagers from Boquang Village marched on foot toward Xiayong Police Substation, demanding the release of the two men. However, this failed and eventually it turned into a case of charging the police substation. The outer fabric of the police substation and some window panes were damaged. The public security men urgently called for reinforcements and, in the end, an anti-riot squad was sent. It was not until guns were fired that the civilians were dispersed. In due course, four villagers were apprehended and two villagers were wounded by stray bullets.

Further on Clash in Guangdong

HK0204062694 Hong Kong HONGKONG STANDARD
in English 2 Apr 94 p 1

[By Amy Liu]

[Text] A farmer from Guangdong province was shot in the leg yesterday after scores of angry villagers clashed with Public Security Bureau officers over land compensation. The man, one of the protesters, attempted to stop the officers from arresting villagers for setting up an anti-corruption group following a row about land compensation. Villagers set up the anti-corruption group last year after complaints of official corruption in land compensation.

During the incident, a public security officer fired two warning shots over the heads of the protesters, one of the bullets ricocheted and hit the victim in the leg. The shooting occurred at about 5 am, when officers raided the homes of several residents of Xia Yong town, in Huiyang county, Guangdong province. No one was arrested then, but seven people were detained at 10 am when they went to the town's Public Security Bureau to demand the release of fellow villagers.

Witnesses said the protesters had surrounded the bureau's offices in a bid to bargain for fair compensation. Some of the farmers, armed with weapons, broke windows. Local police deployed a large number of officers at the scene. No fresh incidents of violence have been reported.

Huiyang is an area of Guangdong which has attracted a lot of overseas funds to develop high-rise residential properties. There has been a property boom in some parts of China in recent years.

Local authorities, in cooperation with overseas investors, have turned real estate development into a lucrative business, but disputes have arisen over compensation for people whose land is sold to developers. In some cities, such as Shanghai, the cost of resettlement rose by up to 40 percent last year. This had led to a tightening of regulations governing land sales.

In a move to cool the overheated property market, the Chinese government early this year announced a land-appreciation tax of between 53 and 73 percent of the improved value of a developed plot of land.

Villagers Storm Police Office in Guangdong

HK0404064994 Hong Kong TA KUNG PAO in Chinese
4 Apr 94 p 2

[“Dispatch”: “Guangdong Public Security Authorities Explain the Causes of the Police Office Storming Incident in Huiyang”; all names as published]

[Text] Guangzhou, 3 Apr (TA KUNG PAO)—When being interviewed by TA KUNG PAO today, a responsible official with the Guangdong Provincial Public Security Department said: Recently, the police station [pai chu suo 3175 0427 2076] in Xiayong Town of Huizhou City's Daya Bay Administrative District was stormed by some people, and innocent policemen there were beaten up. It was a serious incident stirred up by a small number of lawbreakers.

He stressed: The lawbreakers instigated some villagers who were unaware of the true facts to attack the policemen in order to prevent the public security personnel from arresting criminal offenders. When the policemen found that they could not perform their duties, and their lives and safety were threatened, they were forced to take the necessary emergency measures.

According to the responsible official of the Public Security Department of Guangdong Province, on the early morning of 1 April, between 0500 and 0600, the Xiayong Town police office subordinate to the Daya Bay Public Security Sub-bureau dispatched 10 policemen to arrest two criminals, Chen Ren-X and Chen X-hui, in Bogang Village. According to information and evidence held by the police, the two suspected criminals were involved in four blackmail cases last July and August and extorted more than 13,000 yuan from their victims. They seriously threatened law and order in the local community. Through careful investigation, the public security organ decided to send policemen to arrest the two people. The policemen acted in two groups, and they caught the two suspected criminals in a short time. Chen X-hui was brought back to the police station first.

When the policemen were going to take Chen Ren-X away from the village, he suddenly cried “help!” His younger brothers and sisters-in-law took clubs and stones and chased the policemen. The attackers beat up the policemen—who had displayed their certificates and the arrest warrant—and even beat a policeman unconscious.

When finding that their warnings were ineffective, another policeman was forced to pull out his pistol and shoot at the leg of club-wielding Chen X-chao, elder brother of Chen Ren-X. This shocked the besiegers and stopped their attack.

At 0900 that morning, the police station inspector led several police officers to Bogang Village to explain their actions. On the way to the village, they encountered a number of armed villagers who were planning to attack the police station. Persuaded by the police officers, some villagers returned home, but more than 100 people still rushed to the police station as encouraged by Chen X-shan. They demanded the release of criminal Chen X-hui. Leaders of the Xiayong Town Office and police officers of the police station patiently explained what had happened, but the villagers ignored the warnings and continued to storm the police station. Zhang Xinde, chief of the Daya Bay Public Security Bureau, then led a group of police officers to the area and took resolute action to arrest Chen X-shan, Chen X-wen, Chen X-hua, Chen X-jun, and Chen X-ling who took the lead in stirring up trouble, and thus calmed down the incident.

The official said that this case of instigating villagers to stir up trouble was very serious. At present, the Daya Bay Public Security Bureau is intensively investigating the case. Those who took the lead in impeding police officers from carrying out their tasks, instigating villagers to storm the police station, and attacking and injuring public security personnel will be punished severely according to the law.

Truck Accident in Guangdong Dumps Arsenic in River

HK0404055794 Beijing ZHONGGUO XINWEN SHE in Chinese 1235 GMT 3 Apr 94

[By correspondent Yang Hua (2799 5478): "A Major Accident Occurs in Yangshan County, Guangdong, in Which a Truck Carrying Arsenic Sinks Into a River"]

[Text] Guangzhou, 3 Apr (ZHONGGUO XINWEN SHE)—On the morning of 30 March, a truck carrying poisonous arsenic suddenly fell into Chengjia River in Yangshan County, causing a major accident in which two metric tons of arsenic were submerged in the river. So far it has not caused severe pollution.

The truck was owned by a company from Lianxian County. At about 0900 on that day, the truck, which had loaded 6.2 metric tons of arsenic in Jiangxi, headed for Lianxian County, but it suddenly fell into the river while going through Yangshan County. The two drivers were rescued from the river, but approximately two metric tons of arsenic sank in the river and disappeared.

The local government and departments concerned quickly took resolute measures to promptly deal with the aftermath of the accident. The public security bureaus of Yangshan County and Qingyuan City immediately

informed the departments concerned in various localities along the river to prevent people and animals from directly drinking water from the river. After receiving a message from the Qingyuan City environmental protection department, the provincial environmental protection administration immediately informed its subordinate departments in localities along the Lian Jiang and the Bei Jiang, including the four cities of Qingyuan, Zhaoqing, Foshan, and Guangzhou, urging them to more intensively monitor water quality in the two rivers. On 1 April, experts sent by the administration were driven to the scene and helped the local authorities deal with the aftermath of the accident. Sanitation and disease control departments in Yangshan, Yingde, Sanshui, Foshan, and Guangzhou were immediately asked to more intensively measure the arsenic content in the source of the water supplying waterworks and tap water in various localities. Moreover, medical units in the above-mentioned localities were asked to prepare the appropriate antidotes.

Yesterday, almost 100 personnel salvaged the two metric tons of arsenic for more than six hours straight, but nothing was found. The arsenic was packed in a waterproof covering consisting of an inner layer of plastic film and an outer layer of a plastic mesh bag. According to experts in this field, the type of arsenic that sank in the river does not easily dissolve in water and hence would not cause severe pollution. The work of salvaging the arsenic is still in progress.

Guangxi Secretary Addresses Propaganda Meeting

HK1903074794 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 4 Mar 94

[Excerpts] A regional propaganda and ideological work meeting solemnly opened in Nanning Theater on the morning of 4 March. The opening ceremony of the meeting was presided over by Cheng Kejie, regional party deputy secretary and regional vice chairman. He said: This is an important meeting held by the regional CPC Committee to implement the spirit of the national meeting on propaganda and ideological work, and also the largest meeting held by propaganda sectors in our region since reform and opening up.

Regional leaders Zhao Fulin, Cheng Kejie, Ding Tingmo, Chen Huiguang, Li Zhenqian, Peng Guikang, Yuan Zhengzhong, Ma Qingsheng, Yang Jichang, Du Jingyi, and others attended the meeting.

Regional CPC Secretary Zhao Fulin made an important speech at the meeting entitled "Strengthening the Party Leadership, and Sticking to the Fundamental Guideline to Raise Propaganda and Ideological Work in Our Region to a New Level." Zhao Fulin said: This propaganda and ideological work meeting of the regional CPC Committee is a very important one which has an impact on the overall situation. The main tasks of the meeting are: In accordance with Comrade Deng Xiaoping's guiding principle of doing two types of work simultaneously, and attaching equal importance to both, we

should study, comprehend and implement the spirit of the national propaganda and ideological work meeting to emancipate our minds, seek truth from facts, formulate measures in light of local conditions, and conscientiously carry out various tasks set by the national propaganda and ideological work meeting to raise our region's propaganda and ideological work to a new level.

In his speech, Zhao Fulin advanced the following three opinions:

1. It is necessary to conscientiously study and profoundly comprehend the spirit of the national propaganda and ideological work meeting to completely fulfill the tasks set by the meeting.

2. It is necessary to give prominence to focal points to carry out the main tasks of the present propaganda and ideological work.

3. It is necessary to strengthen and improve party leadership over propaganda and ideological work. [passage omitted]

With regard to the first opinion, Zhao Fulin stressed: The recently held national propaganda and ideological work meeting was an important meeting convened by the CPC Central Committee, which had an impact on the overall situation during the crucial period of establishing the socialist market economic system and promoting socialist modernizations. This meeting was not only one which assigned the tasks for our propaganda and ideological front, but also an essential meeting in which the central authorities implemented Comrade Deng Xiaoping's instruction of doing two types of work simultaneously and attaching equal importance to both, and mobilized the entire party to strengthen and improve propaganda and ideological work to provide an effective ideological guarantee and a fine environment in terms of public opinion in a still better way for reform, development and stability. [passage omitted]

Zhao Fulin urged CPC Committees at all levels to show concern for comrades working on the propaganda and ideological front politically and ideologically. They must also show concern for their work and life to build well their contingent.

With regard to the second opinion, Zhao Fulin pointed out: A fundamental guideline, and four key work points put forth by Comrade Jiang Zemin at the national propaganda and ideological work meeting are overall arrangements and strategic ideas aimed at doing propaganda and ideological work well in the process of speeding up establishment of the socialist market economic system. In accordance with the spirit of the national propaganda and ideological work meeting in light of practical realities in our region, Zhao Fulin called on the whole region to do the following work well:

First, do a good job in studying theory and unifying our thinking. In other words, we must persist in arming the entire party with Comrade Deng Xiaoping theory on

building socialism with Chinese characteristics, put study of theory in the first place, and grasp it as a systematic project. We must take the study and propagation of volume three of Deng Xiaoping's Selected Works as the most important task in our propaganda and ideological work and grasp it persistently and profoundly. It should be combined with the study of the spirit of the Third Plenary Session of the 14th CPC Central Committee to comprehensively implement the decision of the central authorities.

Second, persist in a correct guidance for public opinion to create a fine environment in this regard. Zhao Fulin said: With regard to our future public opinion and propaganda work, we must comprehensively and accurately publicize the party line, guiding principles, and policies, and insist on the guideline of promoting unity and stability, arousing the drive of the people, and mainly conducting propaganda by positive measures. We must uphold materialist dialectics, and avoid one-sidedness. [passage omitted]

Third, we must grasp ideological education well, and train new people who have ideals and morality, acquire education, and observe discipline. At present, we must grasp well the work of giving publicity to advanced figures and learning from typical examples. We must further carry out the activities of profoundly learning from Comrade Li Zhonghai. We must give prominence to ideological education for workers and staff members of the state-owned medium and large enterprises. We must also give prominence to ideological education for rural party members and peasants. We must truly grasp well ideological and moral education for young people and students in schools in particular.

Fourth, we must grasp well creation of outstanding literature and art works to bring about a prosperous socialist cultural undertaking. CPC committees and governments at all levels must use a certain amount of manpower and material and financial resources to ensure the production of excellent mental products which reflect the main trends of society. Propaganda and cultural departments at all levels must make efforts, work out plans, and organize production of excellent works which reflect the main trends of society.

Fifth, we must grasp foreign-related propaganda, and serve opening up to the outside world well.

While dwelling on the issue of strengthening and improving party leadership over propaganda and ideological work, Zhao Fulin emphasized: Strengthening and improving party leadership is a key to doing propaganda and ideological work well during the new period. CPC committees at all levels must truly undertake their leadership responsibility. They must attach importance to and truly hold themselves responsible for emancipating their minds, seeking truth from facts, and taking the road of reform. They must establish and improve their own systems and truly ascertain leaders' responsibility. It is necessary to vigorously strengthen the building of the

propaganda and ideological contingent, and to solve practical problems in a planned way to create still better conditions for propaganda and ideological work. [passage omitted]

Zhao Fulin hoped that leaders at all levels in the whole region, and comrades on the propaganda and ideological front in particular, will get a clear understanding of the situation, be clear about their tasks, actively make exploration, explore their way forward, work in a down-to-earth manner, and start the strenuous undertaking to raise their propaganda and ideological work to a new level and make new and still greater contributions to the building of the two civilizations in our region. [passage omitted]

Southwest Region

Guizhou Secretary Visits Broadcasting, Press Centers

HK2603070394 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 11 Mar 94

[Text] Yesterday morning [11 March], on the eve of a provincial ideological and propaganda work conference, provincial party committee Secretary Liu Fangren visited the Guizhou Radio Station and the Guizhou Television Station, where he urged all the comrades on the radio and television front to take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the fundamental guide; adhere to the party's basic line; continually emancipate their minds; constantly seek truth from facts; stick to a correct public opinion orientation; conduct fruitful propaganda work; and make propaganda work contribute to Guizhou's drive for reform, opening up, and modernization.

Comrade Liu Fangren also met with persons in charge of the Guizhou Provincial Radio and Television Department, the Guizhou Radio Station, and the Guizhou Television Station; inspected the operation rooms of Guizhou radio and television stations; and made an on-site speech in which he said: In 1993, Guizhou comprehensively fulfilled the national economic growth quotas, and also enjoyed political stability, economic prosperity, and nationality solidarity, thanks to concerted efforts on the part of the people of the whole province, including the diligent comrades on the province's radio and television front. This year, as China's reform is entering a crucial stage, propaganda work should unswervingly serve the overall interests. What are the overall interests? Grasping opportunities, deepening reform, expanding opening up, promoting development, and maintaining stability undoubtedly represent the overall interests of the whole party and the propaganda work in 1994. This year, China is to implement a series of major reform measures. In view of this new situation, we should actively conduct propaganda and news reporting work in a timely manner and in an assured way, with an eye to pushing ahead with the reforms.

Comrade Liu Fangren stated: Radio and television work constitutes an important part of the overall propaganda work because of their extensive coverage. Thus we should make redoubled efforts to improve the quality of radio and television programs, and try to make them more interesting and absorbing. The radio and television front should strive to build a strong contingent of competent personnel; encourage those engaged in the radio and television work to go deep among the masses and into reality, as well as to the forefront of the reform, opening up, and modernization drive; and conduct more interviews with, and file more reports on advanced models capable of displaying a history-making spirit of selfless devotion.

Those accompanying Secretary Liu Fangren on his visit to the Guizhou radio and television stations included Huang Yao, member of the provincial party committee standing committee and director of the propaganda department; Gu Zhijie, secretary general of the provincial party committee; and others.

Secretary Liu Fangren and his entourage also visited the headquarters of GUIZHOU RIBAO and the Guizhou branch of XINHUA, and met with news workers there.

Guizhou Secretary Inspects Work in Liupanshui

HK3003024794 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 17 Mar 94

[Text] Provincial Party Committee Secretary Liu Fangren recently inspected Liupanshui City where he emphatically called for further emancipating the mind, bracing up, and vigorously speeding up economic growth.

On 14-16 March, Liu Fangren and his entourage inspected Shuicheng Iron and Steel Company, Shuicheng County's Waga Village, Liupanshui City's Zhongshan Development Zone, Liuwei Special Economic Zone's township and town enterprises, Zhenjiazhai Cement Factory, as well as some other units where he listened to reports given by the Liupanshui City leaders. He fully affirmed the Liupanshui City's achievements over the past few years, saying: In 1993, Liupanshui City successfully increased gross national product by over 13 percent, higher than the province's average, and increased financial revenue by more than 50 percent, giving it the province's highest rate of increase.

On behalf of the provincial people's government, Secretary Liu Fangren expressed appreciation and thanks to the broad masses of cadres and people in Liupanshui City. While inspecting Liupanshui City, Liu pointed out: At the moment, we should make continued efforts to emancipate the mind and brace ourselves. Only by furthering ideological emancipation will it be possible to deepen reform. Ideological emancipation is the precursor of economic development. Without ideological emancipation, it would be impossible to quicken the pace of reform, opening up, and economic development and seize opportunities. We should make both vertical

and horizontal comparisons to find shortcomings, update concepts, and speed up economic growth.

Secretary Li Fangren stressed: Now that the CPC Central Committee and the Guizhou Provincial CPC Committee have formulated a clear-cut train of thought and a series of feasible measures, we should waste no time in carrying out this train of thought as well as the relevant measures and work in a creative manner.

Secretary Liu Fangren also called on cadres at all levels across the province to transform work style in a down-to-earth manner, go to the grassroots level to carry out investigation and study, adhere to the principle of firmly grasping two key aspects of work simultaneously, and make a success of all types of work.

Farmers in Poor Areas of Guizhou Move To New Houses

*OW3003024194 Beijing XINHUA in English
0210 GMT 30 Mar 94*

[Text] Guiyang, March 30 (XINHUA)—More than 20,000 families in poverty-stricken areas in southwest China's Guizhou Province recently moved to new houses thanks to a government-aided housing program.

Of the population of 37 million in the mountainous province, 10 million are ethnic minority people. According to a survey in 1986, some 40,000 families lived in shabby houses, most of whom were ethnic minority people in remote mountains.

Since 1984, the central government has allocated three million yuan to Guizhou every year to build houses for the farmers in poverty-stricken areas.

From 1986 to 1993, the province allocated 24 million yuan for housing construction for 24,994 households with 93,052 people.

Local officials said that the provincial government will continue the housing program by allocating special funds in the next few years.

Religious Leaders in Sichuan Assume Leading Positions

*HK2503135694 Beijing ZHONGGUO XINWEN SHE
in English 0945 GMT 25 Mar 94*

[Text] Chengdu, March 25 (CNS)—According to Sichuan's Bureau of Religious Affairs, 98 percent of property rightfully belonging to the religious sector has been returned and hundreds of unjust, false and erroneous cases involving people within this sector have been redressed. More than 1,000 religious leaders in the province have been elected deputies to the People's Congress or members of the People's Political Consultative Conference at various levels in the province.

Sichuan has various nationalities and a number of religions, but for historic reasons there have been many disputes over property and other things involving the

various religions. Now after more than ten years of implementation of policies regarding religion, the province has handed back more than one million sq. metres of property to the religious sector including many monasteries. Some RMB 9.8 million from removal and reconstruction of such property as well as rents have also been paid back.

The province has made redress of 675 unjust, false and erroneous cases and reinstated more than 1,000 religious figures, electing them to such bodies as the People's Congress and the People's Political Consultative Conference at various levels in the province. Eleven religious leaders were appointed vice-prefectural or county heads or vice-chairmen of prefecture or county-level People's Congresses or the PPCC.

The province has now set up 150 religious patriotic bodies and opened 1,370 religious sites.

Tibet Police Corps Holds Party Committee Plenum

*OW3003055294 Lhasa XIZANG RIBAO in Chinese
1 Mar 94 p 1*

[Text] The CPC Committee of the Tibet Armed Police Corps held an expanded meeting in Lhasa on the morning of 28 February. Those attending the meeting included Zi Cheng, member of the Tibet Autonomous Regional CPC Committee Standing Committee, and Zhou Qishun, vice chairman of the Tibet Regional Committee of the Chinese People's Political Consultative Conference [CPPCC].

In his opening address, Major General Zhang Zhu, political commissar of the Tibet Armed Police Corps, said: The guiding ideology and main tasks of this meeting are, using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as guidance and based on a series of General Secretary Jiang Zemin's important instructions on building up the armed police force, to diligently study and carry out the guidelines of the Third Plenary Session of the 14th CPC Central Committee, the expanded meeting of the CPC Committee of the Armed Police Corps, the Fifth Expanded Plenary Meeting of the Fourth Tibet Regional CPC Committee, the Tibet Regional Meeting on Public Security and Judicial Work, and the meeting of directors of public security departments (bureaus); to sum up the Tibet Armed Police Corps' work of 1993; to lay down a plan for its work for 1994; and to mobilize all officers and men to study the situation and to work in a down-to-earth manner, in order to accomplish all tasks entrusted by the higher authorities, to strive to raise the Corps' troop building to a new level, and to make greater contributions to preserving the motherland's unification and to maintaining Tibet's stability.

Zhang Zhu pointed out: In the new situation, the responsibilities of the armed police are even more arduous. This year is a crucial one in which the country will deepen reform and develop a socialist market economic

system. In this year, Tibet also will launch some major reform measures. These measures will inevitably result in the adjustment of interests and relationships between various sectors, and some new destabilizing factors will emerge in the course of reform. Therefore, maintaining stability is very important—without a stable social environment, Tibet's economic construction cannot be carried out smoothly. The developing situation urgently requires that we quicken the pace of construction, improve our performance, and raise our work to a new level in the new year.

Those attending the meeting included members of the CPC Committee of the Tibet Armed Police Corps; officials in charge of military and political affairs of all detachments; leaders of logistics, frontier affairs, and other sections of all detachments; major leaders of units directly under the corps and of all frontier checking stations; and leaders of the corps' offices and other departments, totalling 110 persons.

Yunnan Builds Satellite Ground Reception Stations

HK2803111194 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 23 Mar 94

[Text] According to a provincial experience summing-up meeting, up to now, our province has completed 8,000 administrative village-level satellite ground reception stations, bringing the total up to more than 10,000 in the whole province. This has enabled our province to increase its broadcast coverage rate to 72 percent, and its television coverage to 77 percent in terms of population. These stations have played an important role in propagating the party line, guidelines, and policies, educating and encouraging the masses, and enriching their cultural life.

The meeting pointed out that the main reason our province could built more than 10,000 satellite ground reception stations, which account for one fourth of the total number of satellite ground reception stations in the whole country, within a short period of three years was that the provincial CPC committees and government attached great importance to it, in addition to enthusiastic support by CPC committees and governments at all levels. Workers and staff members on the radio and television front throughout the province also worked hard for this project.

The meeting stressed that the future focus of radio and television development projects in our province will be placed on impoverished counties which are supported by the provincial government, densely populated areas, and areas where the broadcast and television coverage rate is still comparatively low. To ensure safe and high-quality operations of the above-mentioned more than 10,000 satellite ground reception stations, the specific requirements for their administration in the future are: First, strengthening training and education for administrative

personnel. Every year, the provincial radio and television department, and the relevant departments in prefectures, autonomous prefectures, and counties must provide their junior, middle-ranking, and senior management personnel with several training sessions. Second, each and every county will set up a maintenance and service department which has one or two full-time maintenance personnel in charge of maintenance work. Third, enterprises manufacturing radio and television equipment must provide satellite ground reception stations with high-quality products and service.

Yunnan Said Successful in Drug Control

HK0104050094 Beijing CHINA DAILY in English 1 Apr 94 p 3

[By Ma Chenguang: "Squeeze Put on Drug Addiction in Yunnan"]

[Text] Southwest China's Yunnan province has made marked achievements in its narcotics control and rehabilitation of drug addicts.

One of the prominent accomplishments is the reduced number of drug addicts, a news release from the Public Security Ministry said yesterday.

Yunnan, which borders the notorious drug-trafficking "golden triangle" and has been used as a passageway by drug traffickers, previously had a large drug-addict population.

However, due to the province's expanded rehabilitation efforts, the number of addicts was reduced to 40,000 by the end of last year—a drop of 30 percent from 1990.

And the ranks of new addicts have been kept to 2,000 during each of the past three years. But before 1990, about five times as many new addicts became hooked each year.

Yunnan's drug addicts account for 16 percent of the total addict population in China.

Presently, more than 700 counties in 17 provinces, autonomous regions and municipalities have a problem with drug addiction. Growing numbers of addicts are particularly noted in Sichuan, Guizhou, Gansu, Shanxi and Shaanxi provinces, statistics from the Public Health Ministry show.

To curb this increasing crime, China reorganized its high-level National Narcotics Control Commission last July to guide the overall effort.

The news release attributed Yunnan's achievements to the province's increased investment in its battle against drug offences and in law enforcement.

The province began to tighten its narcotics control in 1990. In the past two years, the State government and

Yunnan provincial government have poured 16 million yuan (1.8 million) into renovating and setting up 28 rehabilitation centres.

More than 20,000 drug users receive treatment at these correction centres each year. The approach consists of medical treatment combined with tough social supervision.

As a result, 10 percent of treated addicts have completely overcome their addiction.

North Region

Beijing Security Bureau Summons Wei Jingsheng
OW0204131694 Beijing XINHUA in English 1257
GMT 2 Apr 94

[Text] Beijing, April 2 (XINHUA)—The Beijing Municipal Public Security Bureau summoned Wei Jingsheng and had a talk with him yesterday.

Wei left the bureau immediately afterwards.

He was sentenced to 15 years' jail in 1979 for activities endangering state security and was released on parole in September last year with six months of his sentence still to run.

Beijing To Start Stock Trading 27 Mar
OW2403135094 Beijing XINHUA in English 1311
GMT 24 Mar 94

[Text] Beijing, March 24 (XINHUA)—Beijing is to start its first stock trading day next Sunday [27 March], and a total of 175 million shares will be sold from four local joint stock companies.

This was revealed by Wang Li Junhua, director of the municipal headquarters for stock issuing.

When speaking to a press conference held here yesterday, Li said this will be the first time that stocks will be traded in the Chinese capital, since the founding of New China.

The four stock owners include the Beijing Wangfujing Department Store Co. Ltd., the Beijing Urban and Rural Trade Center Corporation, the Beijing Tourist Vans Company, and the Beijing People's Printing Machinery Co. Ltd.

China Huaxia Securities Co. Ltd. and the Beijing Trust and Investment Company of the Construction Bank will be responsible for the sale of these stocks through more than 300 banks and savings banks around the city.

Beijing Citizens Rush To Buy Treasury Bonds
OW0104113694 Beijing XINHUA in English 1102
GMT 1 Apr 94

[Text] Beijing, April 1 (XINHUA)—This year's national treasury bonds turned out to be a big hit in Beijing.

By 8:30 early in the morning at the Andingmennei street deposit outlet of the Industrial and Commercial Bank, more than 60 people had queued up to buy the treasury bonds, which were first issued today.

That was seen at almost all outlets in Beijing selling the bonds. Just a few days ago, many Beijing residents queued up at the same outlets to buy stocks issued by four large companies.

"My wife came here even at 6:30 in the morning, and I have come to take her place so that she could have her breakfast," said an old worker in the line at Andingmennei street.

A salesman at the bank who was making preparations for bond sales said that people have kept asking about the new bonds. One person had turned in more than one million yuan worth of bonds issued before in exchange for the new ones early in the morning.

The "old in exchange for the new" business—returning old bonds for new with higher interest rates—seems to be the favorite.

Within two hours, some 3.50 million yuan worth of bonds had sold out at the Dongsi outlet of the Beijing branch of the Industrial and Commercial Bank of China. And most bonds were sold via the new business.

Officials said that the bank deposits of urban and rural residents have risen steadily since the beginning of this year, topping 62.3 billion yuan by the end of February.

However, they said that the three-year-term bonds were not selling as well as the two-year-term bonds.

Beijing To Offer Shares in Four State Companies
HK2403102094 Beijing CHINA DAILY in English 24
Mar 94 p 2

[By staff reporter Liu Weiling: "Beijing Set for Massive Share Issue"]

[Text] Beijing plans to publicly issue 175 million shares of four State companies starting this Sunday.

The move, which is to take place over three days, is the first such offering by the capital.

Li Junhua, Director of the Beijing Municipal Commission for Economic Restructuring, said the listing is an important step in improving management and the shareholding system at State-owned enterprises.

It is expected to raise more than 1 billion yuan (\$114 million) for the Beijing Department Store (Group) Company Limited, the Beiren Printing Machinery Company Limited, the Beijing Light Bus Company Limited and the Beijing Town County Trade Centre Company Limited.

The four companies are expected to be listed on the Shanghai Stock Exchange. But the date of the listing has not yet been announced.

Those who want to buy shares must deposit money for half-year terms in banks in Beijing.

The receipts they receive will then be entered in a lottery to decide who can buy shares.

The Beiren company, China's biggest printing machinery producer, plans to float 35 million shares.

Money collected from the issuance will be invested in buying advanced technology, developing new products and building new plants, company representatives said.

Beiren earned 133.56 million yuan (\$15.35 million) in profits last year and floated 100 million shares on the Hong Kong Stock Exchange last July.

The Beijing Light Bus Company Limited, which is expected to issue 40 million shares, is one of China's top auto-makers.

It registered a profit of 22.32 million yuan (\$2.57 million) last year and makes 17 percent of the country's light buses. And it expects to make 37.5 million yuan (\$4.31 million) in profits this year.

Funds raised through the issuance are set for technical renovation, building a branch factory and importing foreign technology.

The Beijing Department Store, built in 1955 and the second largest retailer in the capital, chalked up a sales volume of 1.11 billion yuan (\$127.50 million) last year. It is ready to float 50 million shares.

Beijing Town and County Trade Centre, a rising star in the capital's commercial industry made 52 million yuan (\$5.9 million) in profits last year. It plans to issue 50 million shares.

Li said the time is ripe for Beijing to issue shares since the city has made substantial achievements in recent years. As of March 10, Beijing had 204 shareholding companies.

The number of securities companies has also grown rapidly. By the end of last year, 34 financial institutions in the city opened securities businesses and 114 securities trading outlets opened, Li said.

Moreover, more than 40,000 Beijing residents own stocks, he said.

Meanwhile, rising bank savings have helped with listing shares, Li said.

By February, the city's individual savings deposits had reached 63.2 billion yuan (\$7.26 billion).

In addition, he said the country's efforts at drafting laws and regulations in the securities industry have improved the environment for listing shares.

Beijing has two companies listed on the Shanghai Stock Exchange. But Tianlong and Tianqiao, a waste recycling company and a retailer, did not follow standard practice and float their shares first.

Beijing Bank President on Social Security System

SK2503144694 Beijing BEIJING RIBAO in Chinese 17 Mar 94 p 2

[By Reporters Sun Yushan (1327 3768 1472) and Chen Weiguang (7115 4850 0342); "Shao Yunjie, President of the Industrial and Commercial Bank of Beijing Municipality, Talks About the Issue of Positively Carrying Out the Social Security System"]

[Text] Enlivening state-owned large- and medium-sized enterprises is a topic of conversation that the economists and entrepreneurs were most concerned with at the people's congresses held over the past years. At the place where the Beijing delegation stayed, Shao Yunjie, president of the municipal industrial and commercial bank and deputy of the municipality, set forth with the view of a banker that we should positively carry out the social security system, lighten the burden of enterprises, and create conditions for enterprises to equally join the market competition.

Shao Yunjie said: Just as what Premier Li set forth in his report, enterprises bear heavy financial burdens in supporting social undertakings and there are many historical burdens. Taking Beijing as an example, 1,030,000 staff members and workers of the industrial enterprises should support 400,000 retired staff members and workers. How can they support such a large number of retired staff members and workers? So, we should set up, as soon as possible, a social security system so that enterprises will not bear this burden any longer. Enterprises hand over a portion of money to society. Simultaneously, enterprises have also to deliver to society portions of money from various kinds of earnings. Besides, staff members and workers themselves should also pay a portion of money and the state has to allocate a portion of money. So, the living expenses of retired staff members and workers will be provided under the social insurance system. The enterprises that are hopeless for halting deficits should declare bankruptcy. We can use the social insurance mechanism to arrange the staff members and workers of the bankrupt enterprises or to have the enterprises shift their lines of operation in a step-by-step manner.

Shao Yunjie said: The higher levels must never define any speed targets for large- and medium-sized enterprises. Defining speed targets will bring damages to these enterprises. The products without benefits and the products that nobody wants must not be produced any more. Enterprises would rather suspend production than seek high output value. Using coal, electricity, water, and raw materials to produce unmarketable products is big waste. Enterprises should readjust the product mix according to market demands, grasp product quality, and produce

their own products with competitiveness. Only by so doing will they be able to stand their ground on the market. Shao Yunjie said: Enterprises and banks have relations of loans. This does not mean that only enterprises seek banks' help. In reality, banks also have to seek enterprises' help. Only when enterprises have good economic results will banks be able to live a good life. In a sense, banks and large- and medium-sized enterprises share the same fate. According to the State Council's decision on the financial system reform, the industrial and commercial banks should turn themselves into commercial banks. Seeking profits is the highest target of commercial banks. So, the commercial banks have to make self-management and self-development, run risks by themselves, and restrict themselves. Some enterprises worry that they will not be able to use loans under such a situation. In fact they must not worry about this. Banks still give priorities to large- and medium-sized enterprises because these enterprises are the foundation stone of the socialist economy. Meanwhile, enterprises themselves should have a sense of urgency, enhance their internal potential, and increase economic results so that banks will rest assured to give loans.

Service Industry Earning Statistics Listed

OW2703023394 Beijing XINHUA in English 0148
GMT 27 Mar 94

[Text] Beijing, March 27 (XINHUA)—Profits created by Beijing's service industry have by now accounted for 46.4 percent of the city's total, topping all cities in the country, according to the Statistics Bureau of the Beijing Municipal Government.

Last year, the output value of the capital's service sector increased by 39.5 billion yuan, with a growth rate of 12.9 percent over the previous year, stated a bureau spokesman.

Burgeoning of the sector can be largely accredited to persistent efforts and preferential policies of the municipal government during the past several years.

Large scale restructuring has been carried out according to the city's overall development strategy and many industrial enterprises incurring losses or causing pollution in downtown areas have been moved to the suburbs to make room for commercial activities.

The Beijing Municipal Government has stepped up utilization of foreign investment in infrastructural fields like transportation and telecommunications, creating better conditions for the booming of service businesses.

Taking full advantage of its wealth of science and technology, Beijing has put a great number of scientific inventions and achievements into production and gained much commercial success.

Increase rates for its finance, insurance, international tourism, foreign trade and public utilities all topped the 11 percent mark last year.

An official in the Beijing Municipal Government said, the output value of Beijing's service industry is expected to occupy 60 percent of the city's total by the end of the century, further consolidating its position as China's political and cultural center.

Beijing City Sees Boom in High-Tech Activity

OW2603014794 Beijing XINHUA in English 0124
GMT 26 Mar 94

[Text] Beijing, March 26 (XINHUA)—The Beijing Municipal Government's persistent efforts in boosting the high-tech industry has proved rewarding with a large number of high-tech giants mushrooming all over the ancient capital city.

Statistics show that high-tech enterprises in Beijing totalled 4,443 last year, including 980 joint ventures, creating profits worth more than 11.3 billion yuan.

Among them, 15 boast revenues exceeding 100 million yuan each and another 130 have made profits topping the 10 million yuan mark.

The Beijing Municipal Government has attached great importance to the exploitation of new and high technology during recent years as part of the efforts to boost overall prosperity.

In order to open more channels for fund-raising and to better adapt the management and operating mechanism to international standards, the local government has encouraged various high-tech enterprises to introduce the joint-stock system.

Stone Corporation and the Beijing Legend Computer Group Company, the country's two leading high-tech enterprises, have both been listed on stock exchanges and raised more funds for further development.

Beijing has the country's largest number of scientific institutes, universities, all kinds of talents and China's first technology-intensive scientific zone—Zhongguancun in Haidian District—providing a firm foundation for the burgeoning of the high-tech sector.

Success of the Beijing University Founder Group Company, which has quickly built a good reputation in the past several years, is based on the scientific and technological strength of the country's top school of higher learning.

Color laser photocomposition developed by the company has ushered in a new era in China's industry in printing Chinese characters, the world's most complicated written characters.

The founder company created record profits worth 900 million yuan in 1993 (more than 100 million U.S. dollars according to the current exchange rate) and is confidently heading toward the vast domestic market of high-tech electrical telecommunications products.

Praised as the "dark horse" by its counterparts, Lantong Electronics Co., Ltd in the Beijing high-tech experimental development zone has miraculously occupied 60 percent of the domestic display screen market almost overnight. Aggregate sales of the company also soared to 100 million yuan from the initial 16 million yuan last year.

Collective or individual high-tech enterprises founded by state scientific research institutes and universities have also shown great vitality.

The Huasheng Computer Co., Ltd., under a department of the Ministry of Electronics Industry, has become a big profit earner with a yearly income of 300 million yuan.

The Violight Group Company of Qinghua University, the country's number one school in natural sciences, has put 100-plus of its latest inventions and technological achievements into production and produced great social and economic benefits.

According to reliable sources, the Beijing Municipal Government plans to promote new high-tech zones that have gradually taken shape including a land information center in Haidian District and two science and technology zones in Changping and Fengtai Districts.

A technology development zone in Qinghua University and a biological garden in Beijing University are also to be set up in the near future.

Beijing Mayor Speaks at Family Planning Meeting

SK1103084994 Beijing BEIJING RIBAO in Chinese 20 Feb 94 p 1

[By Reporter Sun Ying (1327 3841) and Correspondent Yang Xianping (2799 7359 1627); "Population Growth Should Be Controlled To Achieve a Fairly Comfortable Life Ahead of Schedule"]

[Excerpts] The Beijing Municipal Population and Family Planning Leading Group held its first meeting following reshuffles on 19 February. Mayor Li Qiyan serves as the leader, and Vice Mayors He Luli and Duan Qiang deputy leaders. In his speech, Li Qiyan emphasized the need to have a full understanding of the important significance of family planning, a basic national policy, and the need for the entire party and entire society to make concerted efforts to strengthen overall management and win greater achievements.

In carrying out the family planning work in 1993, Beijing made persistent efforts to emancipate the mind, seek truth from facts, and pioneer the way forward and fulfilled the annual population plan and family planning tasks fairly successfully. Compared with 1992, improvement was achieved in leading persons' efforts to attach importance to family planning, in all the family planning cadres' quality and law-enforcement level, and in the masses' awareness in practicing family planning; and

propaganda and education, grass-roots management, management according to law, and comprehensive improvement were strengthened. According to the 1993 statistics of various districts and counties, among Beijing's permanent residents, the birth rate declined by 3.43 percent from 1992, and the multiple birth rate declined by 8.2 percent; and their family planning rate was 99.76 percent, one-child rate 94.24 percent, and late childbirth rate 90.42 percent, up 0.01, 0.84, and 0.18 percentage points, respectively.

Li Qiyan pointed out in his speech that Beijing's hard-won great achievements in family planning last year should be attributed to the great support provided by central organs and the army units stationed in Beijing, the great efforts of all levels and all departments in the municipality, and the hard work of the comrades in charge of family planning. He said: Comrade Jiang Zemin pointed out that practicing family planning will help develop socialist productive forces, enhance overall national strength, and improve living standards. We should fully understand the important significance of population growth control in accelerating socialist modernization and achieving a fairly comfortable life ahead of schedule. While developing the economy, we should bring population growth under strict control. Otherwise, the endeavor of achieving a fairly comfortable life ahead of schedule will be affected. Leaders and the masses have gained an ever-deeper understanding of this, but they nevertheless should enhance understanding. Judging from the current situation, family planning work is still difficult, and some people still have confused and erroneous ideas. Top party and government leaders should regard family planning, a basic national policy, as a major task, intensify investigation and study, strengthen propaganda, conduct ideological education to counter problems, clarify confused ideas, and remove the ideological obstacles to family planning. [passage omitted]

Li Qiyan emphasized the need to achieve success in managing the family planning of transients and the people with permanent residence registered in Beijing who work in other localities. He pointed out: This work is the weak link. We should strengthen management and never turn Beijing into the base area for "multiple birth guerrilla forces." He urged: All family planning departments should report family planning work and problems to major party and government leaders on a regular basis. The municipal family planning commission should summarize the situation continuously and give reports to the municipal party committee and government. All departments should conscientiously implement the responsibility system and make sure that arrangements for family planning are made, work is divided and inspected, rewards and punishments are meted out, and criticisms and commendation conducted. [passage omitted]

Beijing Combats Worst Drought of Century

OW0204020494 Beijing XINHUA in English 0135
GMT 2 Apr 94

[Text] Beijing, April 2 (XINHUA)—The Beijing Municipal Government has recently adjusted its water conservancy construction program in a bid to fight more efficiently against the worst drought in a century.

In the worst-hit of the farming areas administered by Beijing municipality, some people have to go as far as 10 kilometers to fetch water for villagers and livestock.

Local officials said that changes have been made in irrigation projects now under construction so as to concentrate more funds and manpower on those for the purpose of fighting against drought.

The government also decided that residents will temporarily be moved out of a few villages where the water situation has come to the worst.

Since the beginning of the year, Beijing had only 2.1 mm of rain, while the total rainfall in 1993 was only one third of that in a normal year.

Due to the sustained drought, the water stored in the Guanting and Miyun reservoirs, the capital's major water sources, dropped by 560 million cubic m compared with the same period last year, the 12 medium-sized reservoirs by 45 million cubic m, while most of the small reservoirs and pools have nearly dried up.

Some 100,000 ha of the city's 160,000 ha of wheat farmland is now threatened by the drought.

Nearly 100,000 people and 10,000 head of livestock are facing water shortages. Some 10,000 people have to fetch water from three km away, and some even from 10 km away.

Fewer Beijing Students Go Abroad To Study

HK2603024794 Beijing ZHONGGUO XINWEN SHE
in English 1128 GMT 25 Mar 94

[Text] Beijing, March 25 (CNS)—According to the Beijing Municipal Higher learning Bureau, the fervour of studying abroad by young people in the capital is cooling down year by year while foreign students studying in the municipality are sharply increasing.

Last year the city approved 2,800 people with a higher education record, to study overseas, 1063 less than in 1992 and 2031 less than in 1991 while the 44 higher learning institutions in the capital last year registered 11,000 foreign students to study in the capital 3,000 more than in 1992 and 7,000 more than in 1991.

Relevant personnel held that the above two sets of figures indicated the speeding up of reform and opening to the outside world as well as economic development in the country where an environment favourable for putting to good use intellectual talents is now forming.

Young people no longer need to go abroad to study as there are many ways for them to gain training and with the stability of society and rapid development of education, the country has attracted a large number of foreign students to study there with Beijing alone having 11,000 such students from 127 countries and regions, 1,199 of them being non-paying students on scholarships and the rest self-supporting.

Hebei's Achievements in Fighting Corruption Noted

SK0803023694 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 5 Mar 94

[Text] Anticorruption is an extremely important issue with which the CPC Central Committee, the State Council, the provincial party committee, and the provincial government are much concerned. At the same time, it is an issue to the common concern of the broad masses of the people.

Since last September, Hebei Province has launched an extensive campaign to oppose corruption. The scale and the achievements of this campaign have been never seen in recent years. Yang Yuzhong, deputy secretary of the provincial discipline inspection commission and head of the anticorruption office under the provincial party committee, said to reporters a few days ago: From October to November last year, more than 21,000 leading cadres at or above the county or section level of party and government organs throughout the province took an active part in the activities of being honest, clean, and self-disciplined and examined themselves and corrected mistakes in line with the 10 prohibitions set forth by the provincial party committee. From the self-examination, a total of 11,000 cadres were found violating the five stipulations of the central authorities and the 10 prohibitions of the provincial party committee. Of these cadres, 786 were of the prefectural and department levels, involving 4.82 million yuan in illicit money. At the same time, discipline inspection and supervisory departments also concentrated on investigating and dealing with a number of cases of violating laws and disciplines. From September to December last year, a total of 3,857 discipline violation cases committed by party members and cadres were put on file for investigation and prosecution. Of these cases, 392 involved more than 10,000 yuan in illicit money each and involved leading cadres of the level of deputy county or section head, including the case committed by (Liu Qingfang), secretary of the Lingshou County Party Committee, and some other major typical cases that have produced certain influence throughout the province.

Yang Yuzhong pointed out: Through the anticorruption campaign, the wanton collections of fees, fines, and apportionments, on which the masses expressed strong comments, have been effectively checked. The province as a whole has stopped collecting a total of 5,050 unreasonable items of charges, and ferreted out 110

million yuan of money collected in violation of discipline, of which, 8.44 million yuan has already been returned. The evil trend that party and government organizations abuse powers to do business and earn profits has been checked basically. A total of 1,547 cadres were found using public funds to go abroad for tourism, more than 1.36 million yuan of illegal money have been confiscated according to stipulations, and 88,000 yuan have been taken over from 10 units that organized overseas tours.

With regard to this year's anticorruption work, Yang Yuzhong pointed out: Although Hebei Province has achieved marked results in the recent anticorruption work, it still lags far behind the goal set by the CPC Central Committee and the State Council for the present stage and behind the expectations of the masses. When viewed from the efficiency of work, the anticorruption work has been uneven in different localities and different departments; some problems concerning leading cadres' administrative honesty and self-discipline, that have aroused much comments among the masses, such as party and government organizations vying with one another in purchasing luxurious cars, indulging in extravagant wining and dining with public funds, and holding extravagant weddings and funerals, need to be resolved conscientiously; some anticorruption measures have not been carried out truly and practically; and some achievements are not remarkable.

This year, in line with the three tasks set forth by the party Central Committee and the State Council and with the guiding ideology of achieving results at the present stage, we should continue to grasp the anticorruption campaign, further resolve various kinds of negative and corrupt phenomena, ensure the political and social stability, and promote the province's reform, opening up, and economic development.

Hebei Province Suffering From Severe Drought

OW2703022694 Beijing XINHUA in English 0129
GMT 27 Mar 94

[Text] Shijiazhuang, March 27 (XINHUA)—North China's Hebei Province has been hit by the worst drought since the 1980s, an official from the provincial water conservancy department said here today.

Li Zhiqiang, director of the department, said the severe drought since last December has threatened 1.53 million ha of wheat fields and made spring seeding difficult for 2.53 million ha of farmland.

And the situation is worsening, Li said.

The director said there have been only two poor drizzles over the past three months, dropping a scant three to four mm of rain.

In 1993, the province received 474 mm in precipitation, which is 12 percent less than in normal years, the director said.

According to Li, the province's big reservoirs now contain 1.2 million cubic m of water, of which only half is actually available, while small reservoirs in the western area had dried up even before winter came.

Even Baiyangdian, the biggest lake in North China, is now only 45 cm away from totally drying up, as it was before 1988, the director said.

The director noted that the sustained drought has had a critical impact on the supply of underground water.

He said the water table in northern and central Hebei has dropped one m from that of the same period last year. In a few places, it has dropped more than three m [meters].

Li said water shortage has always been a great adverse factor in economic development of the province. Some industrial projects have been made impossible, rich resources can not be developed, and the biological environment is worsening.

Li said seven million people in the province are drinking high-fluorine water and two million people are suffering from fluorine poisoning. 600,000 people in the mountainous western area face water shortages.

Li said the central and provincial governments are taking emergency measures to fight against the drought, which has caused more outcries for the diversion of Chang Jiang River water to North China.

Hebei Seeks To Protect Lake From Pollution

OW2303143694 Beijing XINHUA in English 1411
GMT 23 Mar 94

[Text] Shijiazhuang, March 23 (XINHUA)—Baiyangdian, the biggest inland lake in north China, will shine brighter as the local government has stepped up its effort to protect the 'Pearl of North China' from pollution.

Oxygen-consuming waste water discharged into the lake has dropped by some 40 percent in the past year, according to environmental protection officials from Baoding city, a dozen km from the lake in Hebei Province.

A working group set up in 1992 and headed by the mayor of the city is now responsible for controlling the flow of pollutants into the lake.

A sewage treatment plant that can use coal dust from a thermal power plant to recycle 50,000 tons of waste water discharged by a paper mill has recently been put into operation by the lakeside. The five-million-yuan plant is a model project supervised by the State Environmental Protection Agency.

Another two waste water treatment plants financed by the central and local governments and through a Finnish Government loan are now under construction. Each will be able to treat 80,000 tons of waste water a day.

In 1992, a paper mill and a chemical plant were closed down by the city government to reduce waste discharges into the lake.

Since 1990, factories in the area have had to pass environmental assessments by the government before being allowed to discharge waste into the lake. So far 45 factories have been licensed, according to the officials.

Inner Mongolia Secretary Visits Hohhot City

SK1603115294 Hohhot NEIMENGGU RIBAO in Chinese 4 Mar 94 pp 1, 4

[By Reporter An Tiejun (1344 6993 6511) and Correspondent Zhong He (6988 7729): "To Accelerate Reform, We Should Rely on the Brave Practice of the Masses"]

[Text] To accelerate reform of the economic structure, leaders at all levels should further emancipate their minds, trust and rely on the masses, and have the courage to practice and advance. This is the key to whether reform can be deepened and whether it can succeed. The above-mentioned opinion was given by Comrade Wang Qun during his investigation and study activities in Hohhot city.

Wang Qun, secretary of the autonomous regional party committee and chairman of the regional people's congress standing committee, and Zhou Weide, vice chairman of the autonomous region, led the responsible comrades of relevant departments and committees to conduct investigation and study in Hohhot city on the morning of 3 March. After hearing reports by the city leading comrades on Hohhot's implementation of the "10 billion yuan project" and transformation of the enterprise operating mechanism, Comrade Wang Qun said happily: After putting forward the target of increasing the industrial output value to 10 billion yuan this year, Hohhot city has done a great amount of painstaking and meticulous work. Its development rate exceeded 47 percent in January and February this year, which marked a good beginning. This was an extraordinary high-speed development, which has laid a good foundation for accomplishing the "10 billion yuan project" this year. This achievement was attributed to the efforts of the Hohhot city party committee and government to implement the guidelines of the third plenary session of the 14th party congress and to seize the opportunity to carry out reform and opening up. Hohhot's experiences have given us many enlightenments, of which the most prominent one is to emancipate the mind, rely on the masses, and have the courage in practice. He pointed out: Inner Mongolia has a weak foundation and low base figure for economic development, but it has great potential. In line with this reality, it not only should but also can accelerate economic development. The key lies in the degree of our emancipation of the mind. With ideas unchanged, and the mind not emancipated, we will have difficulty in finding the method and the way out.

Speaking on how to deepen reform, Comrade Wang Qun emphasized: The current nationwide and regionwide climate for reform is very good, and we should not miss this opportunity. Leading organs and leading bodies at all levels should take the lead in reform, have the courage in practice, and exert earnest efforts to carry out practical work. This year will be one when the largest number of reform policies will be implemented. Our reform has entered the new stage for promoting package reform while making breakthroughs in key areas. The opportunity is very good, and the situation is spurring us on. Leaders at all levels should have a clear understanding of the situation and have the awareness of opportunity and sense of urgency. Party and government leaders should take the lead in conducting investigation and study, conscientiously organize personnel to give specific guidance to enterprises one by one, and be determined to address all the knotty problems we encounter in reform. As has been proven in practice, the mindset of party and government leaders is very important to the promotion of reform.

Comrade Wang Qun said: Reform is a revolution and the cause of the masses, not the behavior of a few people. Without the full understanding and active participation of the masses, reform will have difficulty to go on. In conducting reform, therefore, we should always adhere to the mass line and trust and rely on the masses in doing everything. We should have the ability to look for ideas and methods and gain courage and confidence from the masses. Propaganda and education should be conducted successfully on the issues which the masses do not understand. We should fully develop the spirit of staff members and workers as masters and boost their enthusiasm and initiative in participating in reform. We should also show concern for the masses and help them resolve some specific difficulties to rid them of their misgivings. With the understanding, participation, and support of the masses, we will be able to surmount all difficulties.

Comrade Wang Qun emphasized: As the major principles for reform have been defined and the road of reform has become increasingly clearer, the key is to proceed from reality and have the courage in practice. We should bravely conduct experiment, blaze new trails, and carry out work. With a wait-and-see attitude and hesitation, we will miss the opportunity. Leaders at all levels should face up to difficulties and have the courage to hold responsibility, to make decisions, and to experiment with the work that can help promote productive forces. Only in this way, can they gain more initiative.

Comrade Wang Qun pointed out: We have encountered some difficulties and problems in the current process of deepening reform. How to treat and understand these problems is an extremely important matter to cadres and the masses. The correct attitude toward the problems is to despise them strategically and to take them seriously tactically. We should first note that the difficulties and problems are temporary ones emerging in the process of advancement, which can be resolved. In the process of

addressing them, however, we should be prudent. We should conduct in-depth and meticulous investigation and study on all problems, such as those on historical burdens, distribution, benefits to retired personnel, and placement of redundant personnel, and solve them one by one. If we fail to address specific problems, the enthusiasm of the masses, the progress of reform, and even the overall situation of an enterprise or a locality, will be affected.

Comrade Wang Qun pointed out: In the current process of deepening reform, we should closely coordinate reform with the endeavors of opening up, imports, and cooperation and the current production. Based on their specific conditions, all localities should formulate a package of policies compatible with their specific local conditions and the needs of the market economy system and lead the reform to develop continuously through the policies. The "three advantages" should be the criterion for formulating the policies. According to our practice, importing and transplanting enterprises with the funds and technology from abroad, cooperation, and merge are very effective methods. They yield quick results and are very applicable to the area like Inner Mongolia. All localities should actively popularize this experience to accelerate the process of deepening reform.

In conclusion, Comrade Wang Qun also gave opinions on the current shortages of funds.

Zhou Weide, vice chairman of the autonomous region, also delivered a speech.

Inner Mongolia Agricultural Conference Held

SK1103123294 Hohhot NEIMENGGU RIBAO in Chinese 19 Feb 94 p 1

[Report by Chen Yongping (7115 3057 1627) and Liu Hongxing (0491 4767 2502): "Work Hard To Win Six Battles, and Strive for a Comprehensive Bumper Harvest"]

[Text] Spring has come early this year! Amid the wave of spring, the regional agricultural and animal husbandry work conference ceremoniously opened in Hohhot on the morning of 18 February.

Attending the conference were heads and secretaries general in charge of agricultural and animal husbandry work of various leagues and cities; responsible persons of pertinent departments; and responsible comrades of various agricultural departments and bureaus as well as pertinent commissions, offices, departments, and bureaus, more than 300 persons in all.

Bai Enpei, deputy secretary of the regional party committee, presided over the conference. Zhang Tingwu, vice chairman of the region, made a report entitled "Press Package Reform Forward, Make Breakthroughs in Major Aspects, and Create a New Situation in Agriculture, Animal Husbandry, and the Economic Work of Rural and Pastoral Areas."

In his report, Zhang Tingwu said: This year, major tasks for economic development of the region's rural and pastoral areas are: to reach 21 billion yuan in total output value of agriculture and animal husbandry; to ensure gross grain output at 10 billion kg, or reach 11.5 billion kg; to ensure total number of animals at 56.5 million head, or reach 57 million head, of which, the number of pigs should reach 10 million head; to ensure afforested land at 5 million mu, or reach 5.5 million mu; to ensure total output value of township and town enterprises at 28 billion yuan, or reach 30 billion yuan; and to make the per capita net income of peasants and herdsmen 100 yuan more than last year's figure of 829 yuan.

Zhang Tingwu said: This year, the region's agricultural and animal husbandry fronts should concentrate efforts on winning the following six tough battles:

The tough battle of deepening reform: On the basis of stabilizing the household output-related contract responsibility system and perfecting the double-tier management system, this year we should lay emphasis on building the collectivized service system by building, as quickly as possible, a multi-tier, multi-form, multi-composition, and multi-function service network, with the village and gacha cooperative economic organizations as the foundation; with township, town, and sumu service organizations as the link, with leading enterprises (corporations) of banners, counties, townships, towns, and sumus as the core, and with the service organizations run by peasants and herdsmen individually or jointly as the supplement. Construction of markets in rural and pastoral areas should be accelerated. Through the government efforts in cultivating markets, we should make markets guide production, orient production to market demands, promote the development of the socialist market economy, and link the scattered small-scale production with the collectivized large market.

The tough battle of capital construction: This year, the region plans to newly add 1.25 million mu of irrigated areas, newly add 6,000 small enclosed pastures around water pools, build 20 million mu of grassland, and build 5 million mu of land whose water is conserved. We should energetically build capital construction of farmland, grassland, and pastoral land, with water conservation facilities as the central link, and further enhance the comprehensive agricultural and animal husbandry production capacity. Basic agricultural and animal husbandry projects should be managed, built, and developed in a comprehensive manner by using as reference the experiences gained from the construction and management of industrial projects. This year is the last year of the second-stage comprehensive agricultural development of the region. We must complete the building of development projects in good quality in order to ensure that the region's comprehensive agricultural development will be carried on stage by stage and to constantly win more projects and more investment from the state.

The tough battle of optimizing structure: We should grasp the readjustment of the internal structures of agriculture, animal husbandry, and forestry; the readjustment of the internal structure of general agriculture, and the readjustment of the production structure of all rural and pastoral areas. The readjustment should be focused on combining agriculture with animal husbandry, drawing animal husbandry into agriculture, drawing grass-growing into animal husbandry, and effecting a simultaneous development of agriculture, animal husbandry, and grass-growing by using advantages to make up each other's deficiencies. This year, the region should grow 8 million mu of grass, sow 1 million mu of forage grass by plane, grow 3 million mu of forage crops, and produce 2 billion kg of silage. This year, the region should raise a total of 15 million pigs, make each peasant or herdsman share one pig on an average, and make the pigs in stock reach 10 million head. The region should breed 200,000 beef cattle and 4 million mutton sheep, of which, 2 million should be lambs. The success in these aspects will contribute to promoting overall development.

The tough battle of township and town enterprises: Efforts should be made to push reform to a new height, expand the scale of operation, improve the grade of products, and enhance the level of management. This year, we should comprehensively popularize the shareholding system and the shareholding cooperative system and vigorously develop the nonpublicly owned economy. We should make great efforts to expand the scale of township and town enterprise growth and to develop the products that are high in starting point, apply high science and technology, have high added value, and earn lots of foreign exchange. By strengthening management, we should effect a marked improvement in all targets of enterprise efficiency. This year, we should launch across the region the emulation drive of vying with one another in becoming "100 million-yuan townships and towns," "10 million-yuan villages," and "5 million-yuan enterprises" and should choose, through appraisal, and commend the banners, counties, townships, towns, and enterprises outstanding in developing township and town enterprises.

The tough battle of scientific and technological progress: In agriculture, we should implement across the region the project of organizing 10,000 agriculture-oriented scientific and technological cadres and technicians who are peasants or herdsman, establish 100 centers experimenting with and demonstrating the high-yielding, high-quality, and high-efficient agriculture, give scientific and technological training to 2 million people, and apply applicable and output-increasing technologies on 20 million mu of fields sown with major crops. In animal husbandry, we should improve the breed of 13 million draft and small animals. In forestry, we should expand the biological economic sphere and the ecological economic sphere and popularize the technology of growing grain and cash crops in forests. In water conservation, we should emphatically apply the water-saving irrigation

technology. We should adopt the form of "four fixed targets and three linkings" to mobilize the enthusiasm of scientific and technological personnel. The plan of "green certificates" should be carried out throughout the region.

The tough battle of supporting the poor by resolving most difficult problems: As of 1992, 600,000 households and 3 million people in the region were still in a poor state. This year is the first year of the state implementation of the "eighth seven-year" plan for supporting the poor by resolving the most difficult problems. The region as a whole should emphatically support 150,000 poor households, of which, 100,000 households should have enough food and clothes. We should persist in the principle of supporting the poor by developing production and managing the poor in a comprehensive way. We should define the major battlefield of the support of the poor. State support should be extended to counties and the region's support should be extended to sumus. We should be determined to change the outlook of the poor through the methods of designating the areas that receive support, supporting the poor by initiating projects, supporting the poor through scientific and technological means, organizing economic coordination in poor areas, transferring cadres to poor areas, and making rich areas help the poor. Zhang Tingwu stressed: The key to winning the above-mentioned six battles lies in further strengthening leadership, changing the style of work, and grasping implementation. The current conference is precisely a mobilization to grasp and promote implementation. He called on leaders at all levels to consciously put agriculture and animal husbandry in the most important position of economic work, concentrate their major energy on "giving guidance, support, protection, and control," actually carry out the policy of protecting agriculture, and strive to yield results by changing government functions and improving the art of leadership.

In conclusion, Zhang Tingwu called on all localities to launch the emulation drive of "vying with one another in pioneering undertakings" and to emulate with each other in doing practical work, scoring achievements, and yielding practical results in order to reap new bumper harvests in agriculture and animal husbandry in 1994 and create a new situation in agriculture, animal husbandry, and the economic work of rural and pastoral areas.

Inner Mongolia Elects Chairman of Democratic League

SK1103131194 Hohhot NEIMENGGU RIBAO in Chinese 2 Mar 94 p 1

[Text] The third Inner Mongolia autonomous regional committee of China Democratic League held its third plenum on 27 February.

During the plenum, the participating members summarized the work done by the regional league committee in 1993. It was contended at the plenum that over the past year the regional league committee had suggested ways

and means for the region's program of two civilizations in line with the spirit of a series of decisions and directives issued by the CPC Central Committee and the Central Committee of China Democratic League and by bearing the region's reality in its mind and actively participating in and discussing the political affairs. Various organizations under the regional league committee have extensively carried out investigation and study. The 53 motions raised by the league-member deputies of the regional people's congress and the league-member members of the regional Chinese People's Political Consultative Conference committee has drawn the great attention of relevant departments. Most of these motions have been accepted. Members of the regional league committee have actively joined in the discussion on formulating the economic development plan for the golden triangle formed by Hohhot, Baotou, and IJ Ju League. They have also submitted several papers on feasible measures for the plan. The regional league committee also dispatched its personnel to join in the supervisory group for the struggle against corruption, who went to leagues and cities to inspect the struggle progress and played a role of conducting supervision and participating in or discussing the political affairs. In addition, the regional league committee has actively rendered social services by regarding the economic construction as a center and scored certain achievements in the fields of science and technology, education, trade exchanges, fund introduction, and business invitation.

At the third plenum of the third regional league committee, the participating members elected Xu Bonian [6079 2672 1628] chairman of the committee.

Inner Mongolia's Erenhot Cracks Down on Crime

SK1103111694 Hohhot NEIMENGGU RIBAO in Chinese 1 Mar 94 p 1

[Text] Three arch criminals, Dong Silin, Pang Jingang, and Zhang Yan, who had absconded for six months and been listed as wanted by the public security organs of Erenhot city because they had long harassed the public security of the city, surrendered themselves to the public security organs on 15 February due to being awed by the power of the campaign of dealing strict blows at crimes.

In the second half of 1993 the social order of Erenhot, a border city opening to the outside world, was once relatively chaotic because some local ruffians and unlawful elements had formed an evil force through collusion. They seriously disturbed the city's public security by stealing openly, stealing covertly, engaging in fighting, and dominating the markets through cheating. They were bitterly hated by the masses. The three criminals are the members of the noted criminal ring of gangsters in the city. Since August 1993, the public security bureau of Erenhot city has concentrated its efforts on dealing blows at "border bandits and trade despots" and a large number of serious criminal elements, who have long committed robbery and looting, have been successively arrested. During the activities of

"concentrating efforts on dealing blows at crimes," the city's public security bureau has cracked down on 89 criminal cases of various categories and investigated or handled 259 cases of violation of the public security law. It has effectively held back the rising trend of criminal cases by dealing blows at crimes and having handled the cases involving 570 criminal elements. Thus, the public security and social order of Erenhot have obviously achieved a turn for the better.

Power Company Goes Public in Inner Mongolia

OW2603164294 Beijing XINHUA in English 1459
GMT 26 Mar 94

[Text] Hohhot, March 26 (XINHUA)—A thermal power company in northern China's Inner Mongolia Autonomous Region went public today.

This is the first company in the region to issue stocks to the public.

The company will sell 50 million shares, underwritten by the Shanghai International Securities Company.

With an installed capacity of 425,000 kilowatts, the thermal power plant generated 2.773 billion kilowatt-hours of electricity last year.

The power plant became a joint stock company last September with the approval of the State Securities Supervision and Administrative Committee. The company was jointly launched by the Inner Mongolia Electric Power Corporation, the Huaneng Energy Company and the Inner Mongolia Branch of the Huaneng Company.

Inner Mongolia boasts known reserves of coal topping 210 billion tons. Power and other forms of energy are the key industries of the autonomous region.

Hohhot City Telephone System 'Totally Digitalized'

OW0304065394 Beijing XINHUA in English 0621
GMT 3 Apr 94

[Text] Hohhot, April 3 (XINHUA)—The telephone system of Hohhot City has been totally digitalized, with 20,000 program-controlled telephone lines newly added to the network, official sources here said.

The sources said this has increased the total lines of the city to 50,000, a great relief of the former shortage of lines in the capital of northern China's Inner Mongolia Autonomous Region.

The city has been investing heavily in upgrading and expanding its telecommunications system in recent years to cope with the ever-increasing demands upon the telephone network accompanying rapid economic growth.

The city now has 13 telephone lines for every 100 citizens, which ranks eighth among the 100 provincial capitals, according to the sources.

The city now provides direct calls to 1,600 Chinese cities and over 800 overseas cities.

New Oil Field Discovered in Inner Mongolia

SK2903133594 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 28 Mar 94

[Text] The first carload of crude oil produced by the (Changcheng) Oil Field in Horqin Left Wing Rear Banner was officially shipped to outside the region recently. This marked a significant breakthrough in the oil prospecting in the Horqin Grassland.

Horqin Left Wing Rear Banner, an important resource deposit in the periphery of Liaohe Oil Field, is located in the (Zhangqiang) caved-in area in Zhangwu County of Liaoning Province. Crude oil was first discovered in (Zhandu) sumu of this banner in 1992. Among the five oil wells already drilled, four were found to have oil flow or (?oil layers). The first well put into trial production, the Bai No. 4 Well, produced 24 cubic meters of crude oil a day. Not long ago, the Liaohe Oil Prospecting Bureau officially named the oil field discovered in Horqin Left Wing Rear Banner as the (Changcheng) Oil Field. Further prospecting work is being carried out in 20 sumu, towns, and townships of the banner.

Inner Mongolia Holds Spring Festival Party

SK0203042394 Hohhot NEIMENGGU RIBAO in Chinese 5 Feb 94 p 1

[By reporter Gao Ping (7559 1627): "The Regional Party Committee Holds a Tea Party of Nonparty Personages To Greet the Spring Festival"]

[Text] On 4 February, leaders of the regional party committee and government and various democratic party and nonparty personages gathered under the same roof to greet the Spring Festival with a cup of tea, to talk freely about the region's major achievements in reform and opening up, and to jointly discuss major plans for future economic development.

Wang Qun, Wu Liji, Qian Fenyong, and Wuyunqimuge attended the tea party.

On behalf of the regional party committee, the regional people's congress, and the regional government, Comrade Wang Qun first extended greetings and thanks to various democratic party and nonparty personages who contributed to the development of various undertakings in the region during the past year. Wang Qun said: During the past year, with the concerted efforts and hard work of all people, comprehensive progress was made in the region's social and economic development, the people's living standards improved, and the people of various nationalities lived a secure and happy life. All these helped to lay a foundation for a sustained, rapid, and sound future economic development in the region and to usher in a crucial year for expanding the reform strength and accelerating economic development.

Wang Qun said: During the crucial year of reform and development, party and government departments at all levels and all trades and professions should make their work serve the overall situation of "seizing the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability." We should soberly and objectively understand the problems emerged in the process of development, advance despite of difficulties, work hard to make the region strong, accelerate the building of the socialist market economic structure, properly handle the relations of reform, development, and stability, expand the reform strength, carry out a package reform with breakthroughs in key areas, and promote a sustained, rapid, and sound economic development in the autonomous region.

In referring to the major work tasks of the region during this year, Wang Qun pointed out: This year Inner Mongolia must break through "five barriers" in its reform and achieve breakthrough progress in five aspects. First, we must make a new breakthrough in deepening reform in the rural and pastoral areas and establish and improve the socialized comprehensive service system in the rural and pastoral areas. It is essential to orient the rural economy to the market economic structure, effect a transition from small-scale farming by many individual owners into large-scale farming and the market economy, and establish and develop various service systems that link with the peasant households, enterprises, and the market. Cadres at all levels should create conditions for peasants and herdsmen to march toward the market in line with market demands and actively guide and organize them enter the market. It is necessary to clearly define Inner Mongolia's advantages in developing agriculture and animal husbandry, and invigorate its economic development with local resources. We should take the market as our guide, regard economic efficiency as the central task and increase in the income of peasants and herdsmen as the objective, integrate foreign trade with industry and agriculture (animal husbandry) and crop cultivation with aquaculture and the processing industry, actively readjust the production set-up, develop "high-yield, fine-quality, and highly efficient" farming and animal husbandry, give play to the advantages of scale, and achieve a secure place in the market. It is necessary to actively develop township enterprises, develop things that are beneficial to economic development, and give priority to developing the "dragon-type" economy" with the processing of farm products and animal by-products as the mainstay.

Second, we should achieve new breakthroughs in reforming the industrial, commercial, grain, and foreign trade enterprises. Inner Mongolia Region and various leagues and cities should attend to reform of large and medium-sized state-owned enterprises and of major profit and tax delivering households and concentrate energy on helping small, poor, and deficit-incurring enterprises change their operational mechanism. It is necessary to accelerate the reform strength and reform

progress of enterprises by sustaining the advanced and helping the backward so as to encourage the vast majority to move along. The key to helping state-owned, large and medium-sized enterprises change operational mechanisms lies in strengthening leadership. All levels of party and government leaders as well as enterprise leaders should further enhance spirit, advance in a pioneering spirit, never delay their work or adopt an attitude of relying on help from the higher level, and seek development in the course of development. Third, we should make new breakthroughs in reform of the financial and taxation system. We must enhance understanding, seek unity in action, and attend to reform in line with the financial and taxation reform plans issued by the state. Reform of the financial and taxation system is aimed at increasing income and solving financial problems. Financial and tax departments should exert efforts to strengthen financial and tax workers and raise their overall quality in line with the demand of developing the socialist market economy, change the old practice of collecting taxes in the office, and collect all taxes that should be collected. Tax departments, in addition to collecting more taxes, should also pay attention to actively supporting economic development and cultivating more sources of taxation. Fourth, we should make new breakthroughs in reform of the banking, investment, and price systems. To implement the socialist market economy, we must study the financial issue and give play to the role of banking departments as a lever in economic development. While actively introducing foreign capital, we should also exert efforts to invigorate our existing funds. It is necessary to manage prices to guarantee market stability and pay special attention to managing the prices of daily necessities that are closely related to people's living. Fifth, we should make new breakthroughs in organizational reform. We should accelerate organizational reform to meet the demands of economic reform as quickly as possible. We should pay simultaneous attention to streamlining the upper layer, changing their functions, and replenishing the forefront, select cadres and workers from party and government organs, institutions, and units who are young and have a good knowledge of management and operation to the forefront of production and construction to help in work or to hold a post in an effort to promote economic development in all localities and to put human resources to best use.

Comrade Wu Liji also addressed the tea party.

Persons from various democratic parties and the Federation of Industry and Commerce, and nonparty personages offered positive and constructive ideas and suggestions for Inner Mongolia's social and economic development at the tea party.

Also attending the tea party were Cui Weilin, Zhang Zuocai, Wang Chongren, Chen Jie, Lan Qianfu, Chen Youzun, and Xu Bainian.

Shanxi Private Sector Experiences 'Sharp Growth'

OW0204153494 Beijing XINHUA in English 1507
GMT 2 Apr 94

[Text] Taiyuan, April 2 (XINHUA)—North China's Shanxi Province is experiencing a sharp growth in its private sector.

Thanks to the reform and opening-up policies since 1978, private businesses have mushroomed in the province and have shown their strong muscles in the intense market competition.

Now the private firms are playing an ever-increasing role in the province's economic development.

By the end of 1993, the number of private firms added up to 507,000, involving more than one million local residents. Most of them were farmers.

The total production output value in the private sector reached 8.16 billion yuan and the taxes they have paid accounted for 7.9 percent of the province's revenue.

As the private firms have extended to every industrial sector and other fields, such as industry, construction, transport, science and technology, commerce, real estate, education, culture and information services, the investment in this sector has also expanded.

A recent survey shows that the average registered funds of each private firm topped 7,614 yuan in 1993, with nearly 100 firms whose total registered funds surpassed one million yuan each.

Many of the private firms have now become large enterprises or group companies.

The survey also shows that about 90 percent of the individuals and private firms that were set up last year were engaged in the service industry, a hefty 40 percent rise from 1992.

In addition, 43 private companies have received foreign investment, and thereby became joint ventures.

The products produced by the private companies have also been sold to many foreign countries, such as the United States, Canada and the Republic of Korea.

So far, the gross commodity retail sale of the private sector is about one fourth of the province's total.

The rapid development of the private sector not only drives the province's economy to a new height, but also promotes its social progress.

Li Anmin, a private business owner in Jiexiu County in central Shanxi and also a member of the National Committee of the Chinese People's Political Consultative Conference, has in past few years donated 7.53 million yuan (866,000 U.S. dollars) to develop local education.

Shanxi Increases Coal Conversion Into Electricity

OW2603075494 Beijing XINHUA in English 0713
GMT 26 Mar 94

[Text] Taiyuan, March 26 (XINHUA)—China's largest coal-producing province, Shanxi, has been converting more of its coal into electricity as a measure to help combat coal transportation bottlenecks and acute energy shortages in other parts of the country.

In 1993 the northwest China province shipped more than 224 million tons of coal, or 72 percent of its total output, to 26 provinces, municipalities and autonomous regions as well as 12 cities.

The amount of electricity that Shanxi transmitted last year to other parts of the country was some 10.785 billion kwh, or 26.46 percent of its total electricity production. The figure was 10.33 percent more than in 1992.

Shanxi's coal output accounts for more than one fourth of the national total. It ships some 300 million tons of coal every year, about three-fourths of the national total transported out from coal-producing provinces and regions.

During an inspection tour to China's largest industrial city of Shanghai, Vice-Premier Zhu Rongji said that the city's economy to a large extent relies on coal resources from Shanxi. So do many other fast-developing but energy-short provinces and cities, the vice-premier added.

However, Shanxi itself suffers from the low state-set prices for coal and coal-related products, and it remains one of China's backwater regions.

As one of China's most important powerhouses, Shanxi has in recent years stepped up the pace of building more coal-based power plants, in a bid to tap its coal resources and better serve the country's economic boom.

Included in Shanxi's energy development blueprint is the construction and upgrading of some ten electrical plants, which will transmit electricity to neighboring provinces and regions as far as east China's Jiangsu Province and the country's most dynamic province, Guangdong in the south.

Under the plan, Shanxi will be capable of generating some 100 billion kwh a year by the end of this decade. The amount of electricity it sends out will also jump from the present 10 billion kwh to 43 billion kwh annually by then.

Experts said transmitting electricity instead of coal to the outside has considerably reduced the burden on railway transportation and has turned low-quality coal and coal byproducts into high-value-added electricity.

Shanxi's endeavors to turn coal into electricity have caught the attention of the country's energy-importing regions and has gained support from them.

Consumers of Shanxi coal and electricity, such as Beijing and Tianjin municipalities, and Hebei, Shandong, Jiangsu and Guangdong Provinces, have funded Shanxi's fledgling power plants.

Meanwhile, companies from 13 countries and regions, including the United States, Germany, Britain, the Republic of Korea, Singapore, Hong Kong and Taiwan, have signed with Shanxi 15 investment contracts and letters of intent for co-operation.

One of the big joint ventures is the Hepo electrical power plant, a co-operative project between Shanxi and two U.S. companies, involving more than 110 million U.S. dollars in total investment.

Last year Shanxi pumped more than 1.94 billion U.S. dollars into its power industry, a move that has helped raise its total installed electricity generating capacity to 8.4 million kw.

Currently the construction of a group of electrical power plants is well under way, and a power-transmission network is also taking shape in Shanxi.

Officials said that another 6.1 million kw of installed generating capacity is expected to be added to the province's power network, making the electricity industry the second-largest mainstay industry in Shanxi after coal.

Tianjin People's Congress Session Ends 7 Mar

SK0803053794 Tianjin People's Radio in Mandarin
2300 GMT 7 Mar 94

[Text] After successfully fulfilling all items on the agenda, the Second Session of the 12th Tianjin Municipal People's Congress triumphantly ended at Tianjin Auditorium on the morning of 7 March. The closing ceremony was presided over by Executive Chairman Nie Bichu. Serving as executive chairmen of the congress session held on 7 March were Gao Dezhan, Li Jianguo, Nie Bichu, Lu Xuezheng, Zhu Wenju, Wang Chenghuai, Qian Qiao, Huang Qixing, Chen Rongti, Liu Wenfan, Zhang Yuhuan (female), Su Baocong, and Liu Huigen. Municipal leaders, including Zhang Lichang and Li Shenglin, and executive members of the congress presidium were seated on the rostrum.

Voting by a show of the hands, the congress session adopted the resolution of the Second Session of the 12th Tianjin Municipal People's Congress on the work report of the provincial government; the resolution on the fulfillment of Tianjin Municipality's 1993 economic and social development plan and on the 1994 economic and social development plan; the resolution on the fulfillment of Tianjin Municipality's 1993 financial budget and on the 1994 financial budget; the resolution on the work report of the Tianjin Municipal People's Congress Standing Committee; the resolution on the work report

of the Tianjin Municipal Higher People's Court; and the resolution on the work report of the Tianjin Municipal People's Procuratorate.

The participants at the congress session believed that last year, the municipal people's government closely relied on the people across the municipality under the leadership of the party Central Committee, the State Council, and the Tianjin Municipal party committee, worked in unity, exerted positive efforts to make progress, and fulfilled the annual plans put forward by the first session of the 12th municipal people's congress, and achieved new progress in reform, opening up, and economic development, and in all other undertakings. The congress session was satisfied with the work of the municipal people's government during the past year.

The session pointed out: The year of 1994 is important to continuously maintaining a good national economic development trend, and is crucial to promoting reform and opening up. We should conscientiously follow the party Central Committee's basic principles for the work of the entire party and the whole country this year, submit ourselves to and serve the overall situation of seizing the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability, and earnestly implement all tasks proposed by the second enlarged plenary session of the sixth municipal party committee. All localities and departments, and all trades and professions should cultivate a high sense of urgency and responsibility, work hard, advance in a pioneering spirit, meet high standards, attain the goal of achieving high efficiency, good quality, and high economic returns, strive to make the major economic targets better than those of last year, and make new progress in all fields of work.

The session called on people across the municipality to take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line as the guidance, rally closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, unite as one under the leadership of the party Central Committee, the State Council, and the Tianjin Municipal party committee, enhance spirit, advance in a pioneering spirit, work hard, and strive to win a victory in Tianjin Municipality's reform, opening up, and modernization undertakings in 1994.

The congress session came to a successful end with the playing of the majestic national anthem.

Northeast Region

Jilin Selects Pilot Cities for Labor Reforms

SK0203055394 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 1 Mar 94

[Text] Jilin has made great efforts to promote overall, coordinated reform of the labor system for the region. It recently designated Siping, Liaoyuan, and Changchun

cities and Yongji, Huadian, Linjiang, Sanchazi, Hunchun, Qian Gorlos, Qianan, Jian, Tonghua, Daan, Zhenlai, and Tongyu counties, cities [shi], and districts as the first pilot areas to test regional coordinated reform. Major parts of the reform are as follows: First, the labor contract system will be applied to all staff members and workers of all state-owned, collective, foreign-funded, shareholding, and private enterprises in these areas. Second, the wages of all the enterprises will be subject to overall regulation and control. The total amount of wages will be linked to economic performance. Enterprises have the decision-making power for their own distribution. Third, old-age pension and unemployment insurance will cover all staff members and workers of urban state-owned, collective, foreign-funded, shareholding, and private enterprises, and a new and unified pension distribution method will be implemented. Fourth, the labor force exchange markets and their service function will be improved so that the markets will fully develop their basic role in the development, utilization, and distribution of labor forces. Through the reform, enterprises' transformation of the operating mechanism will be promoted, and their quality and economic efficiency will be raised in an all-round manner. The experiment of the first group of pilot cities and counties will be completed at the end of this year.

Liaoning Lessens Farmers' Financial Burden

OW0403084094 Beijing XINHUA in English
0705 GMT 4 Mar 94

[Text] Shenyang, March 4 (XINHUA)—Each farmer in Liaoning Province, northeast China, can now spend an additional 40 yuan per year on daily necessities, since the provincial government has lessened farmers' financial burdens.

The province, with a rural population of 20 million, cut a total of 800 million yuan from random charges assessed to farmers last year.

An average of five percent of a farmer's annual income goes into the province's coffers.

In light of the documents issued by the State Council to lighten farmers' financial burdens, the province lowered the ceiling for total fees for farmers in 1993 by some 300 million yuan from the previous year's figure.

The province gives farmers booklets on which types of charges and amounts are listed so that farmers may understand their rights and responsibilities better. Farmers may refuse to hand in any extra charges which are not noted in the booklet.

The province also is easing farmers' financial burdens by putting an end to random charges demanded by governments at grassroots levels, reducing government personnel and tightening up regulations against random charges assessed to farmers.

Liaoning Farmers Become Enterprise Share-Holders

OW0403024994 Beijing XINHUA in English
0120 GMT 4 Mar 94

[Text] Shenyang, March 4 (XINHUA)—More than 50,000 farmers in Shenyang, provincial capital of northeast China's Liaoning, have become share-holders of local rural enterprises.

According to local officials, Shenyang, an old industrial center, has got 8,000 rural and township enterprises. Last year, these enterprises created 20 billion yuan (about 2.3 billion U.S. dollars) worth of output, accounting for one third of the city's total industrial output value.

About 3,000 out of the 8,000 rural enterprises have been transformed into joint-stock ones, and funds from shares of farmers- turned employees have made up some 500 million yuan.

The city began trial transformation of designated rural and township enterprises into joint-stock ones in 1985 and gained some positive experience. Last year, the city extended the transformation to the whole city and saw an emergence of 2,000 joint-stock firms in the city's rural areas.

Rural enterprises run under a joint-stock system not only help enhance the sense of responsibility of workers, but also help stop up outside interference, said the officials, adding that the joint-stock system is an effective way to vitalize management and to build a modern enterprise system in rural enterprises.

Shenyang Agencies Bridge Labor Supply, Demand

OW0103100894 Beijing XINHUA in English
0855 GMT 1 Mar 94

[Text] Shenyang, March 1 (XINHUA)—Some 1.93 million people have found jobs through market competition in this capital city of northeast China's Liaoning Province.

According to Wang Dezhou, who is in charge of the city's labor affairs, Shenyang now has 303 intermediary organizations bridging labor supply and demand.

Wang said that in recent years job agencies in the city have received a total of 2.27 million job applicants.

He said the agencies have so far helped find jobs for 260,000 jobless people, redeployed 170,000 redundant workers, transferred 280,000 technicians and found re-employment for 690,000 retired workers.

This largest industrial center in northeast China has granted enterprises autonomy in hiring and firing workers.

The implementation of the contract system has helped nurture a more rationalized employment mechanism

that reflects labor market supply and demand. Meanwhile, the minimum wage system has also been introduced in the city, the official said.

He said the mobility of technical workers has eased a conflict between the structure of industries and the make-up of the work force, as well as unleashed a freer flow of technology.

Northwest Region

Shaanxi To Use Stocks To Fund Expressway

OW1703034294 Beijing XINHUA in English
0324 GMT 17 Mar 94

[Text] Xian, March 17 (XINHUA)—Northwest China's Shaanxi Province is to adopt the joint stock system for the construction of an expressway linking Weinan city with Lintong County, where the world-renowned museum of ancient life-sized terracotta horses and warriors is located.

Due to start in June this year, construction of the 40.7-km expressway is to be completed in two years, with an expected investment totalling 500 million yuan.

This will be the country's fourth expressway and also the first one in an inland province to be funded through the joint stock system.

Opening up more channels for fund-raising compared with the former dependence on state allocation of funds alone, the joint stock system is sure to streamline the construction of the road, according to local officials.

A share-issuing limited company is to be set up in June. Apart from responsibility for construction and preservation of the road, it will undertake the task of managing various service facilities along it and tapping the great potentials of real estate, tourism, advertising and entertainment in the area.

Xinjiang Region Benefits From Opening Up Policy

OW0903083994 Beijing XINHUA in English
0802 GMT 9 Mar 94

[Text] Urumqi, March 9 (XINHUA)—Northwest China's Xinjiang Uygur Autonomous Region, which used to conjure up visions of remoteness and great hardship, has now become a hotbed of trade and a tourist mecca.

According to local officials, the autonomous region, with 14 border outlets to the outside world, completed 910 million U.S. dollars-worth of foreign trade last year, 63.3 percent of which was done through border trade.

Local officials said that the region enjoys rich resources, but has long suffered shortages of funds, technology and people of expertise. The only railway linking Xinjiang

with the eastern part of the country has become the bottle neck for the region's transport system.

When the central government approved a further opening of the region to the outside world in 1992, the region readjusted its development strategies. Local government has decided to push the border cities to the international marketplace with the backing of the areas along the trunk railway. A number of trade fairs have been held and cooperation with in-land regions been intensified.

In 1993, the region approved the establishment of 363 foreign-funded enterprises and launched 184 overseas projects.

In addition, the autonomous region received 240,000 overseas tourists last year, besides a growing number of domestic travelers.

The officials contributed these successes to the implementation of various opening strategies concerning border areas, and the building and operation of the second Eurasian continental bridge.

Xinjiang Congress Appoints, Removes Officials

*OW0903050294 Urumqi XINJIANG RIBAO in Chinese
20 Feb 94 p 2*

[Namelist of officials appointed and removed by the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee—approved on 19 February 1994 by the Seventh Meeting of the Eighth Xinjiang Autonomous Regional People's Congress Standing Committee]

[Text] 1. Appointments:

An Jizhi [1344 0679 1807] as director of the Finance and Economic Committee of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee;

Abulizi Sideke [7093 0008 0500 1320 0674 4104 0344] as deputy director of the Finance and Economic Committee of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee;

Ayoubu Kuerban [7093 1429 3940 1655 1422 3803] as director of the Hami Prefectural Work Committee of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee;

Li Guangqian [2621 0342 0467] as deputy director of the Hotan Prefectural Work Committee of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee.

Removals:

Yang Chunhui as deputy director of the Nationalities and Overseas Chinese Affairs Committee of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee.

Qu Xiaozong as deputy director of the Hotan Prefectural Work Committee of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee. 2. It Has Been Decided to Appoint:

Bahayiding Aiti [1572 0761 5902 0002 5337 2251] as president of the Turpan Prefectural Intermediate People's Court of the Xinjiang Uygur Autonomous Region.

Appointments:

Tuerdi Maimaiti [0685 1422 0966 6314 6314 2251] as judge of the Aksu Prefectural Intermediate People's Court and deputy director of the No. 1 Criminal Trial Court of the Aksu Prefectural Intermediate People's Court, of the Xinjiang Uygur Autonomous Region;

Tao Yanzhu [7118 3601 3796] (female) as director of the Economic Trial Court of the Aksu Prefectural Intermediate People's Court;

Chang Lixin [1603 4539 2450] as deputy director of the Administrative Trial Court of the Aksu Prefectural Intermediate People's Court;

Bahaerguli Saimaiti [1572 0761 1422 0657 7787 6357 6314 2251] (female) as judge of the Aksu Prefectural Intermediate People's Court and deputy director of the No. 2 Criminal Trial Court of the Aksu Prefectural Intermediate People's Court;

Maihemuti Amuti [6314 0678 2606 2251 7093 2606 2251], Awahan Maihesuti [7093 9907 3352 6314 0678 5685 2251] (female), Wu Zhenhua [0702 2182 5478], Liu Xiuding [0491 4423 1353], Hairinisha Tuohuti [3189 2480 1441 3097 2094 0039 2251] (female), Ainiwaer Abula [5337 1441 3907 1422 7093 0008 2139], Jiang Chongyun [5592 1504 0061], and Guo Dongqing [6753 2639 3237] as judges of the Aksu Prefectural Intermediate People's Court.

Failure of Beijing-Taipei Talks Examined

Beijing Radio Views Talks

OW0304122994 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 1 Apr 94

[Commentary by station reporter Liao Xuefeng: "Based on Sincerity and Keeping the Words"; from the "News and Current Events" program]

[Text] The fourth round of working-level talks between the Association of Relations Across the Taiwan Strait [ARATS] and the Strait Exchange Foundation [SEF], which ended in Beijing recently, did not produce the expected results. In this connection, our station reporter Liao Xuefeng has written the following commentary: "Based on Sincerity and Keeping the Words."

The latest round of talks between the two organizations failed to make progress largely because prior to the talks, the Taiwan side had partially reneged on the common understanding reached between officials of the two organizations in Beijing last February. During the talks, SEF further raised questions which expanded or narrowed (?the scope of understanding). This is indeed regrettable.

As is known, the three topics, including repatriation of those who have entered the areas of the other side in violation of relevant regulations and other relevant issues, discussed at the latest round of working-level talks between the two organization are issues of deep concern to the masses on the two sides of the strait. Both the mainland's ARATS and Taiwan's SEF agree that these issues, which have inconvenienced the two sides for a long time, should be settled as soon as possible. For this reason, the two sides should respect and trust each other and hold talks on an equal footing so as to reach an early settlement, eliminate the inconvenience, and enhance cross-strait friendship. If these issues remain unsolved for a long time, they will affect the vital interests of the people on both sides of the strait, as well as cross-strait relations. This is absolutely not a wise man's action. To achieve positive results from talks, the two sides should first agree on two major points: first, it is necessary to separate political from routine issues so as to foster (?consensus); and second, it is necessary to value the common understanding and strictly carry out the promises reached during the previous rounds of talks.

It is a fact that currently the two sides of the strait practice different social systems and follow different political ideologies. However, this should not become an obstacle to the settlement of routine issues. If one side insists on mixing political ideologies with routine issues, even a simple matter can become complicated and can encounter mounting difficulties in the process of settlement. (?Therefore), the willingness to separate political ideologies from routine matters has become the yardstick for measuring one's sincerity of settling issues.

Moreover, it was a very remarkable feat that the two sides of the strait, which had been separated, got together to discuss common problems and reached rare understanding on some aspects. We should cherish the fruitful results of talks by respecting each other. As the saying goes, a gentleman attaches great importance to promises and keeps his word. ARATS-SEF talks are high-level contacts and negotiations between the two sides' non-governmental organizations. They have conducted the negotiations in a serious manner and have reached an earnest common understanding. In a sense, the common understanding is a kind of promise that must be kept by both sides. For this reason, one should not make accusation as one pleases and should not renege on the understanding rashly.

(?In fact), during the final-day discussion between the two organizations, Mr. Xu Huiyou [Hsu Hui-yu], SEF deputy secretary general, suggested that the next round of working-level talks be arranged in Taipei [Taipei] as soon as possible, thereby showing in a certain way the Taiwan side's sincerity and determination to settle problems. We express our appreciation toward his suggestion. Meanwhile, we hope that the next round of working-level talks will be based on the common understanding reached between officials of the two organizations in Beijing last February; will be conducted in the spirit of avoiding political issues, discussing matters as they stand, solving first easy and then difficult issues, and seeking common ground while reserving differences; and will see that promises are kept with sincerity to achieve fruitful results and that no side issues crop up to complicate matters.

XINHUA Correspondents Write

OW0204045594 Beijing XINHUA Domestic Service in Chinese 0719 GMT 31 Mar 94

[Commentary by XINHUA correspondents Fan Liqing (5400 7787 7230) and Liu Shizhong (0491 0670 1813): "Maintain the Consensus That Has Been Reached To Push Forward Cross-Strait Talks on Routine Affairs"]

[Text] Beijing, 31 Mar (XINHUA)—In accordance with the consensus reached between responsible officials of the Association for Relations Across the Taiwan Strait [ARATS] and the Straits Exchange Foundation [SEF] of Taiwan during their Beijing talks held in February this year, the two organizations began their fourth round of talks on routine affairs on 25 March. Both sides carried out discussions on three topics, including "the repatriation of people entering each other's area in violation of relevant regulations and other issues concerned," but no agreement was reached because the Taiwan side repudiated some areas of consensus reached earlier between the officials of the two organizations during their Beijing talks; discussions on other items on the agenda could not be held either. The SEF delegation returned to Taipei [Taipei] on 31 March.

The latest talks were arranged on the basis of the consensus reached between Tang Shubei, executive vice president of the ARATS, and Jiao Renhe [Chiao Jen-ho], vice chairman and secretary general of the SEF, during talks in Beijing in February. Their main tasks were to hold discussions on the three topics, including "the repatriation of people entering each other's area in violation of relevant regulations and other issues concerned" and "the handling of cross-Strait fishing disputes"; to try to overcome, on the basis of the high degree of consensus reached by officials during their talks, remaining differences in order to reach a written agreement at an early date; and to exchange views or carry out discussions on "a joint crackdown on maritime smuggling, robbery, and other crimes," on the "protection of intellectual property rights," on "ties and mutual assistance between related law courts" on both sides of the Taiwan Strait, as well as on economic, scientific, and technological issues listed in "the General Agreement on the Wang-Ku Talks." This time the SEF arranged to have Deputy Secretaries General Xu Huiyou [Hsu Hui-yu] and Shi Qiping [Shi Chi-ping] each lead relevant officials in two echelons to Beijing for talks.

During the talks which began on 25 March, Sun Yafu, ARATS deputy secretary general, and Xu Huiyou, chief negotiators of both sides, discussed the written wording of an agreement for the three topics on routine affairs. However, after the talks began, the SEF side raised some issues which had been solved during earlier talks between the officials in Beijing, thus changing the nature of the current talks which should have discussed the written wording for the text of an agreement and once again leading to debates over past differences. Despite the eight discussion meetings over five days, no solution acceptable to both sides could be found, and talks on routine affairs between the two sides were once again deadlocked. The second echelon of SEF's negotiators including Shi Qiping and others have put off their visit to Beijing.

In explaining the reason for once again bringing up differences which had been resolved, Taiwan's SEF Deputy Secretary General Xu Huiyu said: "Both sides should be serious and practical in interpreting the 'consensus reached at the Tang-Jiao talks.' A process of discussion cannot be called a consensus. The conditions of the specific time should be taken into consideration in interpreting consensus." Taiwan's "Mainland Affairs Council" has blamed ARATS for "magnifying the interpretation of consensus." As a result, the current talks created a spectacular issue—how to interpret consensus reached earlier by officials of the two organizations during their talks in Beijing.

Let us recall their talks. During the three-day talks, Tang Shubei and Jiao Renhe [Chiao Jen-ho] thoroughly discussed the differences faced in the consultation of three topics on routine affairs and reached consensus on solving several issues. Both sides also agreed to hold the fourth round of talks on routine affairs on the basis of the consensus. The principled consensus reached at the talks

were written in the "Joint News Release by Tang Shubei and Jiao Renhe After Their Talks." After conclusion of the talks, SEF Vice Chairman Jiao Renhe issued a statement, saying, the talks "almost resolved all the issues in the three topics for discussion. Only one issue—the use of written expressions. The joint news release by both sides should be binding." He said he was confident the fourth round of talks would succeed in deciding the text of an agreement. Huang Kunhui [Huang Kun-hui], chairman of Taiwan's "MAC," also said the SEF conducted consultations within the scope it authorized, adding the MAC was not only satisfied with, but also highly affirmed the results of the talks.

According to Taiwan media reports, the MAC convened two meetings of relevant departments in mid-March to discuss "countermeasures" for the fourth round of talks. During the meetings the MAC vetoed some of the consensus reached between Tang Shubei and Jiao Renhe, and "repudiated the important consensus reached at the Tang-Jiao talks on three topics." It also asserted the necessity of "maintaining the bottom line in the TaiBei talks between the two organizations under the premise of upholding the dignity of judicial jurisdiction."

From this one can see it is the Taiwan side that repudiated the Tang-Jiao consensus and revived the differences that had already been resolved, thus causing the current talks to be deadlocked.

Interpreting the consensus reached between the two organizations' officials during the Beijing talks is, no doubt, a question that must be dealt with seriously. Only the preservation of the consensus will help bring about an early agreement on the various topics discussed at the talks on routine matters between the two sides of the strait. In interpreting the "consensus," the two sides should begin with the following goals in mind:

—The consensus reached by the two organizations' officials during their talks must be recognized and earnestly carried out. This is because the officials conducted their discussions in accordance with "the agreement on the liaison and meeting of the two organizations" signed during the "Wang-Ku talks." Moreover, they were authorized by their respective competent departments. The authorization and legal basis for the discussions was beyond all doubt, and so the results are of course effective.

—In the area of major principle, the consensus reached by officials during the Beijing talks, for example: "Political issues should be pragmatically avoided in discussions on routine matters between the two organizations," was written into the "Joint News Release by Tang Shubei and Jiao Renhe After Their Talks." As for the specific high degree of consensus reached on the three topics, only "a high degree of consensus was reached" was written in the "Joint News Release" without listing the specific contents one by one, but consensus is consensus—and it was the common view

agreed on by both sides during their talks. The words are still ringing in one's ears; the consensus should be carried out.

—In their talks on routine affairs, the two sides should adhere to the guideline of "seeking truth from facts, seeking common ground while reserving differences, holding discussions on equal terms, and respecting each other" and to the principle of avoiding political issues; and resolve the easy issues first and tackle the difficult ones later in order to quickly find a way in which both sides can cooperate in resolving issues which have developed in the course of cross-strait exchanges, to safeguard and promote cross-strait exchanges, and to avoid binding their own hands and feet, thus setting restrictions on themselves. The Taiwan side's adoption of an interlocking stratagem to confine the two organizations' operations and talks on routine affairs to one or two issues will cause the scope of cross-strait consultations on routine affairs and exchanges, which was very broad at the beginning, to continue to narrow down to the point where there is no more space to move.

—Keeping one's word and promise is a traditional, noble quality of the Chinese nation. Sincerity in resolving issues constitutes the necessary condition for success in cross-strait discussions on routine affairs. Therefore, in their talks on routine affairs, the two sides should conduct discussions by proceeding from the aim of solving issues and seeking mutual benefit—benefit for compatriots on both sides of the strait. The consensus reached in each stage of the discussions should be cherished and safeguarded. Even if it is necessary to once again bring up an issue for discussion, mutual respect and consultations on equal terms should be adhered to with a sincerity to resolve issues. One should not negate the consensus already reached and deliberately raise new issues.

Although the two organizations met with setbacks in their recent talks, the delegates—realizing the need for an early solution of issues developed in the course of cross-strait exchanges and that the two organizations are willing to maintain ties and channels of communication—indicated after the end of the talks that they will continue. Therefore, maintaining the consensus reached at the talks and striving to expand the results of such consensus will be crucial to the success of the next round of talks. People on both sides of the strait are expecting the two organizations' officials to continue to work hard, seek truth from facts, seek common ground while reserving differences, and discover a way to resolve the issues at an early date.

Press Agency Assesses Outcome

HK0404141094 Beijing ZHONGGUO XINWEN SHE
in Chinese 1415 GMT 30 Mar 94

[Commentary by staff reporters Zhou Jianmin (0719 1696 7044) and Lu Junjun (7120 8823 8823): "Keeping

Faith Is the Foundation and Departure Point for the Consultations Between the Association for Relations Across the Taiwan Strait and Taiwan's Straits Exchange Foundation"]

[Text] Beijing, 30 Mar (ZHONGGUO XINWEN SHE)—The Association for Relations Across the Taiwan Strait [ARATS] and Taiwan's Straits Exchange Foundation [SEF] started their fourth round of routine consultations on 25 March. After several days of argumentative negotiations, the two sides could not reach the expected agreement on three routine matters, including the "repatriation of personnel entering the opposite regions in violation of the relevant regulations and related issues." Under the pretext that no progress had been made in their consultations on the three routine matters, the SEF unilaterally canceled the prescheduled agenda reached between the ARATS and SEF leaders during their Beijing talks on exchanging opinions or holding consultations at the fourth round of consultations on three topics, including "making joint efforts to curb maritime smuggling and robberies and other crimes," as well as on several economic, scientific, and technological issues listed in the "Wang-Gu talks agreement."

These consequences have arisen from many factors, but the most important one is whether or not the ARATS-SEF consultations should abide by the principle of keeping faith and should take this as the foundation and departure point for their consultations.

As everyone is aware, after the "Xiamen consultations" and the "Taipei consultations," the leaders of the two organizations made breakthrough progress during their Beijing talks in February, and reached a high degree of common understanding on three topics, including "repatriation of personnel entering the opposite regions in violation of the relevant regulations." The two sides' ideas were tending toward a consensus on the "standard clauses" to be applied, on the "ships to be used by the two sides," and on "not repatriating Taiwanese hijackers to the mainland" proposed by the SEF. According to these ideas, the ARATS raised suggestions fully absorbing the SEF opinions during the ongoing consultations. We should say that the common understanding reached between the ARATS and SEF leaders during their Beijing talks created excellent conditions and laid a solid foundation for resolving the three routine matters. If the current consultations can make further progress on this basis according to this common understanding, the pending problems and differences will not be difficult to resolve, and reaching an agreement can be expected soon.

Prior to the current consultations, the ARATS had made further efforts so that an agreement could be reached. On each side, concerning the formation of a fishing dispute coordination organization and enabling the results of mediation to have a binding force, the ARATS and the relevant mainland departments studied the existing law and regulations and worked out a practical method, whereby the results of mediation are to be changed into

a financial claim document with a mandatory binding force entrusted by a notary office according to the law. At the current consultations, the SEF raised some opinions concerning the issues on which the ARATS and SEF leaders had reached a consensus during their Beijing talks. The ARATS expressed its willingness to discuss this problem and seek settlement methods acceptable to both sides.

Comments from Taiwan press circles on the achievements of the Beijing talks were good, and Taiwan's "Mainland Affairs Committee" also issued a statement confirming these achievements. However, while these acclaims were still resounding in the ear, in mid-March the "Mainland Affairs Committee" and the relevant departments in Taiwan partially renounced the consensus reached at the Beijing talks. A Taiwan press report said: "The special group panel decided that the agreement plan on the three topics, including the repatriation of hijackers, will abide by the Taiwan side's principle clarified at the 'Taipei meeting'; in other words, our government and the relevant departments have renounced the high degree of common understanding reached at the 'Chiao-Tang meeting.'" Under these circumstances, it is not surprising that no achievements have been made during the current consultations.

Meetings between the ARATS and SEF leaders are important, high-level meetings held according to the "two organizations' meeting and relation system," and the opinions and consensus they express are solemn. Indiscreetly renouncing the consensus reached between the ARATS and SEF leaders is an act of disrespect to the leaders of the two organizations. These people's sincerity for routine consultations and development of relations between the two sides is doubtful. Recently, Mr. Li Tenghui has indicated repeatedly that this year "is one for both sides to form mutual trust." The most important point in forming mutual trust is keeping faith. If what is agreed today is renounced tomorrow, and if a consensus reached between the ARATS and SEF leaders can be denied or neglected, how can consultations proceed normally and achieve results? How can we talk about sincerity or forming mutual trust?

Since their establishments, the two organizations have conducted many rounds of consultations on routine matters involving the interests of the people on both sides of the strait, and also have reached two agreements. A review of past experience enables us to easily understand that as long as both sides abide by the spirit of mutual respect, equal consultations, practicality, seeking common ground while reserving differences, and accumulating common understandings, it will not be difficult to achieve results and reach an agreement. Consultations on routine matters should proceed with the aim of resolving problems and gaining mutual benefit. Sensitive political issues absolutely can be avoided. The attitude of making simple problems complicated and politicizing routine matters is not commendable, and also runs counter to the fundamental interests and expectations of the people on both sides of the strait.

The people hope that the leaders of the two organizations will take keeping faith as the foundation and departure point for their routine consultations, and on the basis of the agreements they have reached, will make further efforts for an early consensus and the happiness of the people on both sides.

Column Views Use of Force Against Taiwan

HK0304064294 *Hong Kong HSIN PAO* in Chinese
1 Apr 94 p 5

[("Beijing Political Situation" column written by Jen Hui-wen (0117 1979 2429) on 30 March 1994 in Beijing: "Why Liu Huaqing Does Not Renounce the Use of Force Against Taiwan")]

[Text] Premier Li Peng delivered his "Government Work Report" at the Second Session of the Eighth National People's Congress [NPC] on 10 March. When talking about the Taiwan issue, Li pointed out: In the new year, we should continue to unswervingly follow the policy of "peaceful reunification and one country, two systems" and work actively to promote the great cause of reunifying the country. It is necessary to uphold the principle of one country and solve differences between the two sides of the strait through increased contacts and consultations. Moreover, at the Second Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] in March, Guo Pingtan, vice president of the All-China Federation of Taiwan Compatriots, stressed that "an awareness of Taiwan is not tantamount to an awareness of Taiwan independence" and that "the aspiration of Taiwan compatriots to become masters in administering Taiwan is fair, reasonable, and just and is different from 'Taiwan independence.'" Consequently, some media maintain that communist China has recently toned down the Taiwan issue, most likely in an effort to find a mutually-acceptable breakthrough point in the peace talks as quickly as possible. In fact, what Li Peng and Guo Pingtan said were reaffirmations of the basic stand of the White Paper entitled "The Taiwan Issue and the Reunification of China," which was issued by the State Council on 1 September 1992, and this basic stand had its origin with General Secretary Jiang Zemin's report before the 14th party congress on 12 October 1992.

The Circumstances Under Which China Will Use Force Against Taiwan

If there should be new moves in communist China's Taiwan policy, it is, as this writer pointed out in this column on 4 March, that the impact of Taiwan President Li Teng-hui's "holiday diplomacy" has forced communist China to review its tactics toward reunification with Taiwan. Specifically, it should be prepared for both eventualities. While basing itself on "peaceful reunification," it should also prepare for "reunification by force." In the view of communist China, without preparing for

"reunification by force" it will be hard to realize "peaceful reunification"; after the possibility of "peaceful reunification" is ruled out, "reunification by force" will become necessary.

According to a source in Beijing, it was reported in the 19 March TONGXUN JIANBAO [News Dispatches in Brief] of the CPC Central Committee's General Office that, when talking with People's Liberation Army [PLA] delegates attending the NPC and CPPCC sessions on 18 March, Liu Huaqing, vice chairman of the Central Military Commission, specifically stressed the need to be prepared for "reunification by force."

Liu pointed out: The question of whether there will be war between the two sides of the strait depends on the Taiwan authorities. He said: "Reunification of the motherland through peaceful means is the common aspiration of all Chinese. The people on both sides are Chinese. It would be extremely unfortunate if the compatriots on both sides should resort to arms and kill one another due to a split in China's sovereignty and territorial integrity. This is something that we are very reluctant to see, but it cannot be determined by our subjective desire. Li Teng-hui's basic strategy is to work for Taiwan independence. If Taiwan declares independence, this should be resolved by war. We stand firm on matters of principle. Why do our troops retain the two characters meaning 'liberation'? Because our country has yet to be fully reunified, and it is probably necessary to safeguard state sovereignty and territorial integrity through military means."

Liu added: "We put forward the principle of 'peaceful reunification and one country, two systems,' i.e. achieving reunification under the principle of 'I will not eat you up nor should you eat me up.' This expresses our greatest sincerity for peace. So far, however, we have not seen such sincerity on the part of Li Teng-hui. If the senior Chiang (Chiang Kai-shek) and the junior Chiang (Chiang Ching-kuo) were still alive, they would not tolerate 'Taiwan independence,' 'one China, one Taiwan,' and 'two Chinas.' Why do we say that Li Teng-hui does not have sincerity for the peace talks? He himself knows the answer very well. He openly pushes forward international activities for 'Taiwan independence,' supports the Democratic Progressive Party, and squeezes out and attacks the backbone forces in the Kuomintang who uphold one China. This is known to all. Precisely because of this, we cannot but prepare for the worst and make preparations for 'reunification by force.'"

According to an expert on the Taiwan issue at the Chinese Academy of Social Sciences in Beijing, Liu Huaqing did not advocate "reunification by force." His original intention was that the Taiwan people would urge the Taiwan authorities to set store by the righteous cause of the nation and strive for the peaceful reunification of the two sides.

Liu Huaqing Cites 10 Facts To Show That Li Teng-hui Is Working for Taiwan Independence

The source said: In his talk, Liu cited 10 facts to show that Li Teng-hui has persisted in working for "Taiwan independence" since he took office as Taiwan president.

1. The roping in of and collusion with anti-China and anti-communist congressmen and political forces in the congress in supporting the practice of "Taiwan independence," "one China, one Taiwan," and "two Chinas."
2. Collusion with the anti-China, anti-communist political forces in Japan in supporting "Taiwan independence" and engaging in the long-standing activities of being antagonistic to the mainland.
3. Acceleration of the expansion of military strength, incitement of hostile sentiments among Taiwan compatriots against the mainland, and moving toward the goal of Taiwan independence.
4. Creation of the so-called "theory of military expansion" to sow dissension between Southeast Asian countries and China.
5. Continued dispatch of hostile elements to the mainland to steal intelligence on the party, government, Army, and economy.
6. Continued provision of economic aid under various names to overseas and outside-the-border organizations hostile to the mainland.
7. Collusion with the Tibetan separatist, the Dalai Lama, in conducting separatist activities.
8. Support for the British Hong Kong authorities' acts of violating the Sino-British Joint Declaration and the agreements between the two countries.
9. Creation of numerous incidents of shooting and killing mainland compatriots (fishermen in the coastal areas) on the Taiwan Strait.
10. When the Olympic Committee decided on the country to host the 2000 Olympics last year, a major issue of principle which had a bearing on national dignity, Taiwan voted for Australia instead of the Chinese mainland.

As pointed out by the aforesaid expert in the Taiwan issue, Liu Huaqing cited the fact that Li Teng-hui engages in "Taiwan independence" activities to enable PLA officers and men to clearly understand Li Teng-hui's true colors and to warn Li not to go further down the path of "Taiwan independence" or even count on the involvement of the United States and other Western countries in supporting "Taiwan independence." Otherwise, a war to liberate Taiwan will become inevitable.

Deng Xiaoping Wants To Curb Taiwan Independence Through Economic Links

The source added: To work for peaceful reunification with Taiwan, communist China has adopted a series of measures to boost development in cross-strait relations. On the political front, those going to Taiwan will no longer be held accountable for the crimes they committed before the founding of the PRC. On the military front, the shelling of Jinmen and other islands have been suspended, and some forward positions and observation

posts in the coastal areas of Fujian are being turned into economic development zones or tourist spots. On the economic front, the mainland has opened the door wide to promote exchanges. Taiwan businessmen are welcome to invest in the mainland or carry out trade activities; in fact, the mainland has given them preferential terms and legal guarantees. On other fronts, such as personnel contacts, post and telecommunications, communications, science and technology, culture, sports, academic research, and news, the mainland is also vigorously encouraging exchanges and cooperation. The mainland has set up the Association for Relations Across the Taiwan Strait, a government-sanctioned nongovernmental organization, to establish contacts with the Straits Exchange Foundation and other relevant nongovernmental organizations in Taiwan to boost development in cross-strait relations. The Wang-Koo meeting held in April 1993, during which four agreements were signed, represents an important step of historical significance in cross-strait relations. An atmosphere of relaxation, which has never been seen in the past 40 years and more, has emerged in the Taiwan Strait. This is favorable to peaceful reunification.

Of the numerous measures, Deng Xiaoping reportedly puts particular emphasis on the need to increase cross-strait economic links. He said: "By closely linking the economy of the two sides we can curb 'Taiwan independence' to a maximum degree." To this end, the communist Chinese authorities recently approved the establishment of several Taiwan investment zones in the coastal areas to suit the situation of Taiwan investments on the mainland. Meanwhile, at its sixth meeting in March this year, the Eighth NPC Standing Committee approved the "Law of the PRC on Protecting Investments by Taiwan Compatriots." The protection of Taiwan investments in terms of a law will further promote cross-strait economic cooperation.

However, as the Kuomintang and the CPC have many long-standing grievances against one another, plus the fact that the international forces support "Taiwan independence" by every possible means, people dare not be optimistic about the prospect of the two sides burying the hatchet.

Enterprise Management Symposium Held in Beijing

OW2203085894 Beijing XINHUA in English 0803
GMT 22 Mar 94

[Text] Beijing, March 22 (XINHUA)—A symposium on enterprise management on both sides of the Taiwan Straits opened here this morning.

About 60 senior management personnel from enterprises across the Taiwan Straits and Overseas Chinese enterprises attended the opening session of the five-day symposium.

During the meeting, the participants are to discuss the current economic situation on the mainland and in

Taiwan, the development features of various industries, the set-up of modern enterprise system and cooperation between enterprises on both sides of the straits.

Wu Jie, president of the Chinese Institute of Reforms, wished the meeting success.

Professor Ma Junru, chairman of the Association for Personnel Exchanges Across the Taiwan Straits, expressed the hope to the gathering that senior management personnel would compare notes on the set-up and management of modern enterprises.

Mutual understanding and contacts between the participants would help to forge cooperative ties in various forms and provide a good infrastructure for closer cooperation between the participants in the days to come, Ma said.

David Chen, chairman of the Chinese Quality Assurance Association (U.S.A.), noted that in the past few years, the economies on both sides of the Taiwan Straits have logged rapid growth and that the Chinese enterprises in Southeast Asia and the United States also have recorded remarkable development.

The exchanges of enterprise management expertise would help to promote the development of these enterprises, he said.

In the morning session today, Wu Yufeng, deputy director of the Economic System and Management Research Institute under the State Commission for Economic Restructuring, made a speech on the current economic status of the mainland.

Wen-Ching Cheng, counsellor of the Chinese Quality Assurance Association, briefed the participants on the development of public-run enterprises in Taiwan.

The symposium is jointly sponsored by the Association for Personnel Exchanges Across the Taiwan Straits and the Economic System and Management Research Institute of the State Commission for Economic Restructuring.

Taiwan Capital Flows Into Xinjiang Region

OW0104074194 Beijing XINHUA in English 0713
GMT 1 Apr 94

[Text] Urumqi, April 1 (XINHUA)—The Xinjiang Uygur Autonomous Region in northwest China has attracted an increasing amount of investment from Taiwan over the past four years.

The region now has a total of 53 Taiwan-funded enterprises, with a total investment of 86.75 million U.S. dollars and a registered capital of 33.27 million U.S. dollars. Of the total agreed investment, 33 million U.S. dollars have been put into actual use.

Enterprises involving Taiwan investment are mainly engaged in real estate, electronics, telecommunications,

foodstuffs, textiles, garments and shoe making, as well as advertising, forestry, agriculture and the service trades.

Eight of them each have an investment exceeding two million U.S. dollars.

The flow of more Taiwan capital has helped boost the exploitation of the region's rich natural resources such as oil, coal, fruit, cotton and animal husbandry products.

They have also contributed to growing exports. Products such as textiles, fruit drinks, building materials, arts and crafts and computers from the region have entered the world market, especially the Commonwealth of Independent States.

Mainland To Hold Book Fair in Taiwan

*OW2303134194 Beijing XINHUA in English 1308
GMT 23 Mar 94*

[Text] Shenzhen, March 23 (XINHUA)—A delegation consisting of 100 representatives from nearly 90 big

publishers on the Chinese mainland left here today for Taiwan via Hong Kong for a book fair, to bolster cultural exchanges across the straits.

The fair, sponsored by the China Publication Distribution Trade Association, is expected to be staged in Taipei [Taipei] city from March 29 to April 4.

About 26,000 new books in nine categories produced by 181 publishers on the mainland will be on display at the show.

As one of the publications exchanges across the straits projected by the China National Publication Import and Export Corporation (CNPIEC), the book exhibition will be the mainland's first such show in Taiwan.

In November 1993, the CNPIEC held the first fair on the mainland of books from Taiwan, and more than 20,000 books from 307 Taiwan publishers were displayed.

Premier Terms U.S. Sanctions 'Unfair,' 'Regretful'

OW0104132894 Taipei CNA in English 1256 GMT
1 Apr 94

[By Debbie Kuo]

[Text] Taipei April 1 (CNA)—Premier Lien Chan Friday [1 April] called United States threats to impose trade sanctions against Taiwan for failing to protect endangered species "unfair" and "regretful."

US President Bill Clinton has yet to make a final decision on the sanctions, which are mandated under the Pelly amendment to the Fishermen's Protective Act of 1967. Any sanctions would go into effect 30 days after approval.

The ROC [Republic of China] Foreign Ministry confirmed that the US National Security Council had forwarded to President Clinton a recommendation to sanction only Taiwan under the Pelly amendment.

Lien said it is unfair that the US is seeking to selectively impose the sanctions, targeting only Taiwan and not Mainland China or South Korea.

The premier said the US Government did not take into account wildlife conservation efforts made by Taiwan's government and people.

The US has paid no attention to Taiwan's quick and effective reactions to comments and accusations from world conservation organizations, Lien said.

Lien added that Taiwan has done much more than many other governments and international groups in protecting endangered species.

Moreover, the government is currently expanding crackdowns on illegal trade in rhino horn, tiger parts and other endangered animals and species in addition to enacting a revised wildlife protection law and promoting Taiwan's efforts in the world community, Lien said.

He called for the people in Taiwan to correct their misguided ideas about the effects some endangered species have in curing diseases. "Don't sacrifice the country's image for medical cures or gourmet food," Lien said.

Meanwhile, Sun Ming-hsien, chairman of the Council of Agriculture, said the US is targeting Taiwan alone for trade sanctions despite a decision by the Convention on International Trade in Endangered Species (CITES) last week to postpone any decision on sanctions against Taiwan, Mainland China and South Korea until November.

He called US threats against Taiwan a "violation of international justice."

Sun said Taiwan will continuously and undauntedly communicate with the US, telling the Americans that

Taiwan has done much more than Mainland China and South Korea in wildlife protection and conservation.

Sun (?said) that he has not ruled out resignation to take responsibility for the US sanctions, (?if) approved.

Officials on U.S. Trade Sanctions Over Wildlife

OW0304095794 Taipei Voice of Free China in English 0200 GMT 2 Apr 94

[From the "News" program]

[Text] U.S. President Bill Clinton is yet to impose trade sanctions on Taiwan by invoking the Pelly amendment over the island's failure in wildlife conservation. Board of Foreign Trade Director General Hunag Jen-chao said Friday [1 April] that Taiwan will have no way to avert trade sanctions from the U.S. once President Clinton decides to proceed. Anyway, he said, the result in damage cannot be determined until Washington announces how such sanctions are to be enforced.

On the other hand, Economics Minister P.K. Chiang [Chiang Ping-kun] said when he attends a ministerial meeting under the General Agreement on Tariff and Trade in north Africa next week, he will explain to other participating countries Taiwan's accomplishments and resolve in protecting wildlife. Chiang stressed it is unquestionable that the ROC [Republic of China] Government and people are determined to protect endangered species. He said the U.S. Government is moving to slap trade sanctions on Taiwan merely because of slandering the island by international conservation groups.

Group Praises Country's Conservation Efforts

OW0204085694 Taipei CNA in English 0730 GMT
2 Apr 94

[By P.C. Tang and Y.C. Tsai]

[Text] Brussels, April 1 (CNA)—Taiwan's wildlife conservation efforts have won recognition from a prestigious conservation group in Belgium.

The Royal League for the Protection of Birds, or Ligue Royal Pour la Protection des Oiseaux (LRPO), introduced Taiwan's protective measures for endangered species in its "HUMAN BEINGS AND BIRDS" (L'HOMME ET L'OISEAUX) quarterly.

The quarterly, which was published Thursday in French and Dutch, devoted nine pages to the report on Taiwan.

Although Taiwan has been blamed by some international conservation groups for its failure to crack down on the illegal trade of rhino horn and tiger bone, the island has taken a series of concrete measures to better protect wild animals in the past few years, the LRPO report said.

The measures include intensifying crackdowns on the illicit rhino horn and tiger bone trade and amendments

to the wildlife conservation law which substantially increase punishments for violators, the report elaborated.

The report cited the arrest in Taipei of a Bhutan princess for smuggling rhino horns and the repatriation of orangutan to Indonesian jungles as solid evidence of Taiwan's sincerity in following international conservation practices.

Established in 1922, LRPO maintains a number of branch offices in Belgium. In addition to the publication of the quarterly to advocate wildlife conservation and environmental protection, the league also cooperates with other international groups to promote protection for endangered animals.

The league has expressed its hope to work with Taiwan on bird conservation and to exchange information on environmental protection.

Further Reportage on Cross-Strait Talks

Talks End Without Agreement

*OW0204140994 Taipei Voice of Free China in English
0200 GMT 1 Apr 94*

[From the "News" program]

[Text] Negotiators from Taiwan and Mainland China Wednesday [30 March] ended their current round of talks in Peking without an agreement. Taiwan's chief negotiator Hsu Hui-yu and his mainland counterpart Sun Ya-fu [Sun Yafu] both expressed regrets as soon as they ended the talks. The talks were the fourth effort since last April to settle technical issues between the two sides.

Sun said: Although the results were predictable, the two sides did improve mutual understanding. Hsu and Sun all agreed that the next round of talks should be held as soon as possible to solve the problems at hand.

The Peking talks, which began last Friday, were originally expected to conclude agreements on repatriation of mainland hijackers and illegal immigrants, and resolve cross-strait fishing disputes. Taiwan wants the rights to exclude some hijackers from repatriation if it is determined they have their political or religious motives. Peking has said Taiwan does not have the legal rights to make such a decision.

Official Issues Statement on Return

*OW0304114994 Taipei Voice of Free China in English
0200 GMT 2 Apr 94*

[From the "News" program]

[Text] A so-called consensus reached between the leaders of two semiofficial organizations in February [words indistinct] impasse for the latest round of talks Taiwan and Mainland China. Taiwan's chief negotiator Hsu

Hui-yu, deputy secretary general of the Strait Exchange Foundation, made a statement Thursday [31 March] upon his return from Peking. While there, he failed to reach agreement on any topic with his Mainland Chinese counterpart Sun Yafu. Sun is deputy secretary general of the Association for Relations Across the Taiwan Straits. Both organizations are literally private and authorized by Taipei and Peking, respectively, to tackle bilateral affairs in absence of official links. The consensus Hsu referred to was the one reached between his superior Chiao Jen-ho and mainland's Tang Shubei during their meeting in Peking earlier this year on the repatriation of hijackers and illegal stowaways and cross-strait fishing disputes.

'Senior Negotiator' Cited

*HK0404065394 Hong Kong SOUTH CHINA
MORNING POST in English 4 Apr 94 p 5*

[By Chris Yeung]

[Text] Taiwan is considering allowing mainland officials to visit the Kuomintang-ruled (KMT) stronghold to enhance mutual understanding, as deep mistrust bogged down talks over issues such as hijacking.

Chiao Jen-ho, vice-chairman of Taiwan's Straits Exchange Foundation (SEF) and senior negotiator on non-government issues across the Strait said officials were conducting internal studies on whether the time was ripe for being "more aggressive" in inviting officials from the communist regime to visit the island.

Mr. Chiao was speaking, to a group of Hong Kong journalists and commentators who were visiting Taipei last week. His top aides ended the fourth round of talks with their mainland counterparts in Beijing last week with no accord on sensitive issues such as aircraft hijacking.

The former close aide to President Lee Teng-hui admitted that the quasi-official body was "in a difficult position" after the fruitless four rounds of working-level talks plus a more senior-level meeting between him and his Beijing counterpart Tang Shubei of the Association for Relations Across the Taiwan Strait. "The lack of mutual trust between the two sides remains serious.... The mainland side does not really understand Taiwan," said Mr. Chiao.

The SEF leader was critical of what he said was Beijing's lack of understanding of Taiwan, as well as mixing legal matters with politics. "Political issues cannot be solved through negotiation. One will only be able to keep power if they win public support. Beijing has to seek backing from the Taiwan community if it wants to pursue political talks," he said.

"But the present gap is so large that any talks on political issues are doomed to fail. The mainland authorities fail to understand Taiwan when they say they are putting out

hopes on the KMT. They have overestimated the KMT. It's not powerful enough to swing public opinion," said Mr. Chiao.

"The attitude of Beijing in treating links with Taiwan as a relationship between father and son will not be acceptable to the people in Taiwan. We are not asking for recognition of our status. But they have to respect reality."

Mr. Chiao admitted that the KMT Government has banned visits by mainland officials to the island in the past because of fears of their "adverse influence" within the community and the bureaucracy.

"Our policy is more conservative and defensive. Whether we should be more aggressive now and try to influence mainland officials is a matter under consideration," he said.

"As our confidence (regarding dealing with Beijing) grows, we might readjust our policy correspondingly," the SEF vice chairman said.

Mr. Chiao, however urged Beijing to be more pragmatic and not to overreact. "There will be enormous scope for the development of relations between the two sides if Beijing can understand that. On any mainland-Taiwan matters, we have no deadline."

Premier Rejects Mainland Investment Protection Law

OW0104135294 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 11 Mar 94

[From the "Hookup" program]

[Text] At the Legislative Yuan today, Premier Lien Chan commented for the first time on the law of investment protection for Taiwan compatriots adopted by the Chinese Communists. He pointed out: Basically, the law shows that the Chinese Communists are still playing the trick of one country, two systems. If they truly want to protect investment from outside, they should sign agreements that meet international requirements. We cannot rashly enter into all-around, in-depth economic contact with the mainland simply because the Chinese Communists passed an incomprehensive, nonspecific law.

Spokesman Wants PRC To Explain Boating Accident

OW0404080194 Taipei CNA in English 0710 GMT 4 Apr 94

[By Debbie Kuo]

[Text] Taipei, April 4 (CNA)—A government spokesman here Monday [4 April] called on mainland Chinese authorities to reveal the cause of a mysterious boat accident in which 24 Taiwan tourists perished.

Government Information Office director-general Jason Hu urged mainland authorities to face the accident "honestly" and "responsibly."

The charred corpses of 24 Taiwan tourists, two mainland Chinese guides and six crewmen were found piled in one room of a tourist boat on March 31. The boat was on a cruise of Thousand Island Lake in Zhejiang Province when the still unexplained deaths occurred.

News of the accident was not released until two days after the event occurred, and all Taiwan reporters were barred from examining the boat or any of the 32 corpses after the boat was removed to a shipyard in Chun'an, Zhejiang.

Zhejiang security officials also destroyed film of the site taken by a TV reporter from Taipei's China Television Co.

The Straits Exchange Foundation (SEF), Taipei's non-official conduit for mainland-Taiwan relations, Monday urged mainland authorities to reconsider a Sunday decision to bar SEF officials from even visiting the site.

SEF counterpart, the Association for Relations Across the Taiwan Straits (ARATS), in a fax Sunday to the SEF, made only perfunctory reference to the incident and did not detail reasons for the fire and death of the tourists.

The deaths are widely believed to be the result of foul play, possibly the work of thieves who took advantage of lax police presence on the lake.

Meanwhile, about 50 family members of the victims arrived Monday in Chun'an to help police identify the corpses.

Angered with the mainland's handling of the case, the family members have demanded the mainland authorities make public the true cause of the accident, allow SEF personnel to the site, and respect the relatives' wishes regarding the handling and transport of victims to Taiwan.

Japanese Air Unit Apologizes on Plane Interception

OW0404040194 Taipei CHUNG KUO SHIH PAO in Chinese 27 Mar 94 p 4

[By reporter Fang Yang-chung (2455 0111 1813) in Taipei]

[Text] An official for the Civil Aeronautics Administration (CAA) pointed out in the morning of 26 March: Regarding an incident in which Japanese fighter planes scrambled to make an "identification check" on a CAA test plane on the morning of 25 March, the whole incident is nothing but a "misunderstanding," probably a result of improper coordination between a Japanese air traffic control center and the Japanese Air Force. The Japanese air traffic control unit involved has made an oral apology to the CAA.

The official pointed out: Before the plane left for Taipei's air traffic information zone, the CAA had notified its Japanese counterpart and obtained its consent. The whole process, which was conducted properly, can be certified by referring to existing records.

The official said: The CAA plane was conducting its task when two F-4 Phantom planes of Japan's Self-Defense Force scrambled to make an "identification check." Our unit involved in the incident was quite confused by the Japanese move, and immediately cabled the Japanese side to find out more about the situation.

The CAA official pointed out: The Japanese air traffic control unit soon apologized to the two pilots in the test plane through our air traffic control unit. The Japanese side said that the mistake was a result of faulty coordination between a Japanese air traffic control unit and a Self-Defense Force control unit. The incident was only a "misunderstanding" because the fighter planes were merely making an "identification check."

The CAA official said his office is still negotiating with the Japanese air traffic control unit to work out methods to avoid the recurrence of similar incidents.

Taipei Protests Name-Change Move by Film Festival

OW0204140094 Taipei CNA in English 1310 GMT
2 Apr 94

[By Danielle Yang]

[Text] Taipei, April 2 (CNA)—The Government Information Office (GIO) Saturday [2 April] expressed its strong dissatisfaction over the Cannes TV Festival's changing the Republic of China [ROC] delegation's title.

Cannes organizers demanded that the ROC delegation change its name to "Taiwan, China," under pressure from Beijing, a GIO spokesman said.

The GIO strongly condemned the move and said the organizers are politicizing the TV industry, which it said should remain a commercial activity.

The GIO in turn has decided to dispatch only representatives of the three local TV stations to participate in the 1994 festival, because they are "civilian" operators. In the past, the ROC delegation has been comprised of representatives from the GIO, from Taiwan's public television station, and from the mass media.

Beijing in the last several years has intensified efforts to downgrade the ROC at the festival. Last year, Beijing demanded that the organizers remove the ROC flag representing the Taiwan delegation.

In mid-March, the Cannes organizers demanded that the ROC change its promotional pamphlet title from "Taipei TV Group, ROC" to "Taiwan."

High-Tech Exports Decline Despite Incentives

OW0404090594 Taipei CNA in English 0700 GMT
4 Apr 94

[By Sofia Wu]

[Text] Taipei, April 4 (CNA)—Taiwan has enjoyed an aggregate trade surplus for the past 18 years, but its annual trade in high-technology products has remained in the red since 1988, Ministry of Finance statisticians reported Monday [4 April].

The officials said that although the government has offered tax and other financial incentives to encourage investment in high-tech industries, the imbalance in state-of-the-art products trade continues to grow.

High-tech imports reached U.S.\$37 billion in 1993, while exports totaled about U.S.\$29.1 billion. The U.S.\$7.9 billion imbalance, roughly equal to Taiwan's total trade surplus for the year, was the largest gap since 1988 when the high-tech trade deficit stood at U.S.\$2 billion, the officials said.

And last year, Taiwan's high-tech exports even suffered a year-on-year 5.27 percent decline, reversing the steady upward trend recorded over the previous five years, the officials noted.

They blamed the phenomenon on high demand for high-tech products here and slow progress in upgrading local industries.

Shih Chin-tai, key components development project chief at the government-funded Industrial Technology Research Institute, said local high-tech companies have not yet established comprehensive overseas distribution networks, which has hindered Taiwan's export expansion.

But Taiwan will soon be able to mass produce such key electronic and machinery parts as liquid crystal displays, data compressors and memory chips, Shih said. "These products will help increase Taiwan's high-tech production by an estimated U.S.\$3.49 billion by 1997, and cut reliance on high-tech imports," he explained.

Some economists suggested that the government offer even more incentives to encourage development of certain "strategic" industries, such as telecommunications, machinery and key electronic parts.

Computers, machinery and chemicals are Taiwan's major high-tech exports, while electronic components and parts, sophisticated machinery and car engines form the bulk of Taiwan's high-tech imports, according to government tallies.

Adjustment of Government Agencies Planned

OW0204153694 Taipei CNA in English 1317 GMT
2 Apr 94

[By Lilian Wu]

[Text] Taipei, April 2 (CNA)—Some operations of government agencies may be enlarged or cut under a revision of a statute covering the organization of the Executive Yuan, the Research, Development and Evaluation Commission (RDEC) of the Executive Yuan said Saturday [2 April].

According to the RDEC, an immigration and a firefighter administration may be added to the Ministry of Interior, while social affairs, which are now managed by the Social Department under the Ministry of Interior, may be turned over to a newly created ministry.

The RDEC also said aborigines affairs, which are now part of Ministry of Interior operations, may be turned over to the Tibetan and Mongolian Affairs Commission, which will be enlarged to include minority affairs.

RDEC officials said that some environmentalists have suggested that wildlife conservation operations be turned over to the Environmental Protection Administration (EPA), but added that the Executive Yuan would have to carefully evaluate such a switch before a final decision is made because of complicated underlying issues.

Whether the Executive Yuan's Council for Cultural Planning and Development will be upgraded to become a Cultural Ministry has not been finalized, the officials said. Many legislators have appealed for such a change to put more emphasis on cultural development in Taiwan, which has been called an island of greed after its rapid economic development.

Regardless of whether it is upgraded to a ministry, the council will now be the chief agency responsible for the protection of copyrights and the maintenance and restoration of cultural relics, RDEC officials added.

The officials said that they are also studying whether the council should take charge of motion picture and television affairs, which are currently under the management of the government information office.

Each government agency has submitted proposals and suggestions concerning what adjustments should be made to their agencies, they said, and added that they are studying ways to curtail overlapping operations of the agencies.

The RDEC will submit its findings to a task force considering the Executive Yuan's reorganization.

Decline in Foreign Investment Reported

OW0204153594 Taipei CNA in English 1322 GMT
2 Apr 94

[By Danielle Yang]

[Text] Taipei, April 2 (CNA)—Foreign investment in Taiwan totaled only US\$130 million during the first two months of 1994, down 24 percent over the same period

of 1993, according to statistics released by the Industrial Development Bureau (IDB) Saturday [2 April].

Investment from Japan showed the largest decline of 51 percent, followed by an [number indistinct] percent decline in US investments and an 8 percent decline in European investments, the statistics showed.

Investment in Taiwan's manufacturing industry totaled US\$90 million, down 36 percent, with most of that going toward manufacturers of electronics, electric goods, and chemicals.

Meanwhile, approved Taiwan investment in foreign countries other than Mainland China totaled US\$90 million during the January-February period, up 130 percent from a year earlier.

US\$10 million in investment went to the manufacturing industry, a decrease on 50 percent from a year earlier, with most of that going toward manufacturers of electronics, electric goods, and garments, the statistics showed.

In terms of Taiwan investment to Southeast Asian countries, both Thailand and Vietnam absorbed US\$ [number indistinct] million, and Indonesia absorbed US\$1 million during the period.

In addition, Taiwan businesses invested some US\$120 million in Mainland China, up 37.5 percent over the same period of 1993. The mainland's manufacturing industry—mostly basic metal and electronics makers—absorbed US\$110 million of the total.

Foreign Labor Shortage Concerns Contractors

OW0404091094 Taipei CNA in English 0727 GMT
4 Apr 94

[By Lilian Wu]

[Text] Taipei, April 4 (CNA)—Many public and private construction contractors are worried about the possibility of a serious labor shortage beginning in April as two-year contracts for foreign workers expire.

Although the Council of Labor Affairs (COLA) has revised its regulations to allow foreign laborers to remain in Taiwan for three years, the regulations have not yet been approved by the Legislative Yuan, so the contractors say they will be unable to overcome the growing shortage.

COLA first allowed the import of foreign workers to assist with major public works, manufacturing and construction industries in October 1991. The first wave of foreign laborers have already begun to leave Taiwan, with the exodus expected to peak in April.

And as COLA has not yet announced any measures to fill the coming labor gap, contractors are worried that progress on the Hsinchu and Taoyuan sections of the

second freeway will lag behind schedule, resulting in the suspension or downscaling of work.

The contractors have expressed their hope that the Legislative Yuan can approve the COLA revisions soon and also suggested that COLA shorten the time it takes to process foreign worker applications.

Enterprises Urged To Improve Product Quality

*OW0204084694 Taipei CNA in English 0739 GMT
2 Apr 94*

[By Benjamin Yeh]

[Text] Taipei, April 2 (CNA)—Vice Economic Affairs Minister Sheu Ke-sheng Saturday [2 April] told local enterprises they must further improve their product quality if they hope to win a greater share of the highly competitive international market.

"Taiwan was once known for its exports of low-end products...but with rising wages and costs, those days are gone forever. Today, only high-quality products can provide Taiwan enterprises with new niches," Sheu said at the opening of the second annual "Celebration of Excellence" product fair.

The five-day fair, sponsored by the Ministry of Economic Affairs, features 625 high-quality products manufactured by 336 companies.

A screening committee has awarded 194 of the products the "Symbol of Excellence."

Eight companies, including Philips, a semiconductor producer and two bike manufacturers, won the top honors awarded by the ministry during a ceremony Friday night.

The award, dubbed the "Gold National Award of Excellence," is part of the government's effort to help local enterprises polish the image of their products.

The winners of the gold award were each given NT\$2 million (US\$757,575) in cash. Winners include Kuannan Enterprise, United Microelectronics Corp., Giant Co., Merida Co. and Philips Taiwan. Sixteen other firms won silver awards.

Vice Premier Hsu Li-the and Economic Affairs Minister P.K. Chiang attended the award ceremony at the Taipei World Trade Center.

Hong Kong

Li Peng Meets Hong Kong-Based Press Chiefs

OW0204134294 Beijing XINHUA in English 1241
GMT 2 Apr 94

[Text] Beijing, April 2 (XINHUA)—Chinese Premier Li Peng met here today with press chiefs of six major Hong Kong-based newspapers and magazines.

The premier praised the great contributions they have made to promoting mutual understanding, cooperation and exchange between China's Mainland and Hong Kong.

The six Hong Kong-based newspapers and magazines were "WEN WEI PO", "TA KUNG PAO", "HONG KONG COMMERCIAL DAILY", "NEW EVENING POST", "ZIJIN MAGAZINE" and "ECONOMIC INFORMATION AND AGENCY".

The basic principle of "one country, two systems" would not change, the premier said, adding it is his hope that the Hong Kong-based newspapers and magazines would do a better job to shoulder their responsibilities in the realization of the peaceful transition of Hong Kong and maintaining long-term prosperity and stability there.

Also present were Ding Guangen and Li Lanqing, members of the Political Bureau of the Central Committee of the Chinese Communist Party, and other government leaders.

Reiterates 'One Country, Two Systems'

OW0204143494 Beijing XINHUA Domestic Service in Chinese 1247 GMT 2 Apr 94

[Text] Beijing, Apr 2 (XINHUA)—Premier Li Peng cordially met with persons in charge of Hong Kong-based "WEN WEI PO," "TA KUNG PAO," "HONG KONG COMMERCIAL DAILY," "NEW EVENING POST," "ZIJIN MAGAZINE," and "ECONOMIC INFORMATION AND AGENCY" at Zhongnanhai's Ziguangge here this afternoon. They were in Beijing for a visit.

Premier Li Peng said: The four newspapers and two magazines each has its own characteristics. All have done a tremendous amount of work and made achievements in promoting mutual understanding, cooperation, and exchange between the mainland and Hong Kong. He urged them to continue offering correct guidance for public opinion, become more creative in substance and form, and pay more attention to absorbing and borrowing the strong points of other newspapers and magazines.

Premier Li Peng said: There will be no change of our principle of "one country, two systems" in Hong Kong. The Hong Kong-based newspapers and magazines now shoulder an even more greater responsibility in the realization of the smooth transition of Hong Kong and

maintaining long-term prosperity and stability there. The situation demands you to make the newspapers and magazines more successful.

Also present were Ding Guangen and Li Lanqing, as well as Lu Ping, Zeng Jianhui, Zhang Junsheng, and Li Bing, persons in charge of departments concerned.

Group To Be Established To Study Land Policy

OW0104123094 Beijing XINHUA in English 1154
GMT 1 Apr 94

[Text] Beijing, April 1 (XINHUA)—A new group will be set up in Beijing to study policies concerning land and housing in Hong Kong.

The decision was made during a two-day meeting concluded here today by the economic subject panel of the preliminary working committee for the preparatory committee of the Hong Kong Special Administrative Region (SAR).

Members of the economic subject panel agreed that such a group is necessary when exceedingly high housing and land prices in Hong Kong have already adversely affected the livelihood of local residents and Hong Kong's economic growth.

During the meeting, these members heard a report on the question of land in Hong Kong and the Chinese Government's policy regarding the approval of land there.

Zhong Qiquan, secretary-general of the Guangdong Provincial Government, briefed the members on the large construction projects being undertaken in Guangdong. The members discussed how to coordinate large construction projects undertaken in the Chinese Mainland and Hong Kong.

Moreover, members of the banking and finance panels of the preliminary working committee also met here to discuss an initial report on how to manage the land fund of the Hong Kong Special Administrative Region after 1997.

Survey Shows Support for Amendment to New Territories Law

HK0304062594 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 3 Apr 94 p 2

[By Quinton Chan]

[Text] The popularity of Legislative Councillor Christine Loh Kung-wai has shot up as a result of her attempts to change ancient inheritance laws barring women from inheriting land in rural areas, according to a SUNDAY MORNING POST poll. The survey of 1,055 people found strong backing for Ms Loh's stance on the controversial New Territories laws. She described it as an encouraging result and said she would push ahead with her amendment.

Twenty-four per cent of those surveyed by Hong Kong Polling and Business Research (PBR) on Wednesday and Thursday said their opinion of Ms Loh had improved as a result of her handling of the issue. Only eight per cent said their impressions of the legislator had worsened, while 51 per cent said their view of Ms Loh had not changed, and 17 per cent expressed no opinion.

PBR managing director Citi Hung Ching-tin, who conducted the survey said the result showed Ms Loh had become the "champion" of the New Territories row. "There is a net gain of 16 per cent. She is the single biggest beneficiary of this issue," he said. "This is a turning point. People can recognise her after this issue. Before this, she had nothing that people could identify with."

"Her chances of winning in the 1995 Legislative Council direct elections are now very high," he added.

The appointed Legislative Council member announced in January she would stand in the 1995 polls. Last week, she resigned as a project director from CIM Company Ltd to begin working as a full-time legislator. She is undecided over where she will stand in the 1995 polls but has said she prefers a seat on Hong Kong Island.

But Ms Loh declined to express any satisfaction at the rise in her personal popularity rating, insisting she had not intended to gain any political points from her controversial stance. "This is an interesting result. People recognise me when they hear about the New Territories issue seven days out of 10," she said. "I am not working for votes. I put forward the issue before I had made up my mind to stand for the direct elections."

The poll found 64 per cent supported her amendment to end discrimination over land inheritance in the New Territories, while only 12 per cent were opposed, with 24 per cent unsure. The 1,055 sample included 63 indigenous inhabitants of the New Territories—the group that vehemently opposed any changes to the inheritance law. Of these, a surprising 32 supported Ms Loh's amendment, while only 16 were opposed, with 15 unsure. The numbers involved are too small to be statistically significant, but Ms Loh said she still took comfort from the finding. "It is an encouraging result despite the fact the sample was so small," she said.

In further poll findings, half of those surveyed still believed the Heung Yee Kuk represent the interests of New Territories natives, while 23 per cent disagreed, and 27 per cent were unsure. The poll—which had a 62 per cent response rate—also revealed strong opposition to Beijing interfering. Seventy-four per cent said China should not be involved in resolving the row, while only 11 per cent believed Beijing had a role to play, with 15 per cent unsure.

China last week continued to support the protests of groups in the New Territories against the amendment

saying the rights of indigenous residents should be protected. It also accused the Government of creating conflicts among Hong Kong people and undermining the stability of the territory. Beijing also defended the issue, saying it was an historical one and should not be mixed with sexual equality.

Survey Favors Government Move To Cool Property Prices

HK0304060594 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 3 Apr 94 p 1, 2

[By Political Editor Danny Gittings and Dick Chan]

[Text] Hong Kong has overwhelmingly thrown its support behind Governor Chris Patten's proposed crackdown on property speculation. An exclusive SUNDAY MORNING POST opinion poll reveals that 79 per cent of those surveyed believe the Governor was right last week to identify rising property prices as an urgent problem. Only eight per cent disagreed, while 13 per cent were unsure.

Speculation was almost universally identified as a major cause of the soaring prices by the poll's respondents. There was strong support for tough new measures to control it, including a controversial capital gains tax on speculators.

The poll also uncovered startling new evidence of the effect rising residential prices is having on ordinary people. Only six per cent of those surveyed said they were intending to buy a flat at present, in the Hong Kong Polling and Business Research (PBR) survey of 1,055 people. Forty-nine per cent were less likely to buy a flat because of recent price rises, while only four per cent said this had made them more likely to do so. A further 43 per cent said recent events had not affected the prospect of them buying a flat, while four per cent were unsure.

The poll was conducted last Wednesday [30 March] and Thursday, immediately after the Government announced the establishment of a multi-disciplinary task force charged with cooling the property market. The response rate was 62 per cent. PBR managing director Citi Hung Ching-tin said the results showed the Government had pinpointed the issue of most immediate concern to people. "The Governor is reaping the political windfall of correctly identifying the issue of the day that is hitting the lower classes," he said.

Mr Patten last week pledged that "the number one domestic issue on my agenda will be property prices". The Financial Secretary, Sir Hamish Macleod, and the Acting Secretary for Planning, Environment and Lands, Canice Mak Chun-fong, also pledged the Government would take action to bring down prices.

Ninety-three per cent of those surveyed saw speculation as a main cause of the soaring market. But most respondents believed Hong Kong property developers and

other local purchasers were primarily to blame, rather than mainland firms, which had recently been accused of fuelling the rising prices. Seventy-eight per cent believed speculation by local developers was a major factor behind the runaway market, while 76 per cent believed the activities of other Hong Kong purchasers were an equally important contributing cause.

Only 50 per cent identified speculation by Beijing-backed enterprises as a major contributor to the increase in prices, fewer than the 58 per cent who saw the lack of land in Hong Kong as a key factor. Forty-nine per cent saw Government policy as a major cause, while 39 per cent identified Hong Kong's booming economy.

But Mr Hung warned that the support the poll showed for Mr Patten's tough stance on property prices could prove to be a double-edged sword if he failed to cool the market quickly. The survey found 79 per cent of respondents believed the Government had waited too long before taking action, while only six per cent disagreed with this, with 15 per cent unsure. "This could be extremely dangerous for the Governor," Mr Hung said. "If he fails to deliver on the issue, then the high expectations will backfire."

The poll findings suggest the most popular course would be immediate action to try to control speculation and begin building more public housing. Both options were backed by 85 per cent of respondents. But there was also strong support for a capital gains tax on speculators. Other, less-favoured options included discussing an increase in land supply with China, backed by 62 per cent, and making it easier for redevelopment, which won the support of 45 per cent.

The Government has always opposed the introduction of a capital gains tax on speculators, although Sir Hamish last week said he would consider it if other measures were ineffective. The poll's revelation of public support for such a levy came as pro-democracy politicians yesterday renewed calls for its introduction.

Speaking after a panel discussion, United Democrat legislator James To Kun-sun said the Government's promise to cool the market would be worthless unless tough action was taken to stop speculation. "The problem cannot be solved only by releasing more land. We must also have some taxation measures to punish speculation," said Mr To, who described a tax on short-term property gains as a vital part of the battle against rocketing residential prices. He also pointed the Government could not formulate consistent solutions because it did not have a clear target. "We still don't know whether the objective is just to relax the price increase or to bring it back to a reasonable level," he said.

Law Cheung-kwok of the Association for Democracy and People's Livelihood also said a tax on speculators was essential, claiming the Government's announcement of other measures would have no effect on the overheated market. "Property prices will not reach a reasonable level within the next two or three years if only those

suggestions are acted upon. Taxation measures must play a vital role in dealing with the problem," he said.

But Liberal Party spokesman Man Tak-chuen opposed the introduction of a capital gains tax because "we couldn't easily identify those who are speculators and those who are not".

China To Question Civil Servants on Intentions After 1997

HK0104134694 Hong Kong SOUTH CHINA MORNING POST in English 1 Apr 94 p 3

[By Doreen Cheung in Beijing]

[Text] China made clear yesterday it would follow the advice of its preparatory panel for the post-1997 government and ask all civil servants to indicate whether they would remain in the Government after 1997.

The comment, from the Foreign Ministry, came despite reservations in Hong Kong about the proposal from the Preliminary Working Committee (PWC).

Ministry spokesman Wu Jianfan also confirmed Britain would be denied a say in choosing the leadership of the first Special Administrative Region (SAR) government.

"It is clear that the right to nominate and appoint the principal officials of the Hong Kong SAR government rests with the SAR chief executive and the central Government, respectively, rather than a case in which the candidates for principal officials will be nominated by the British side and then submitted for consultation with the Chinese side," Mr Wu said.

He called on civil servants to put their hearts at ease, saying China would abide by the Joint Declaration and the Basic Law.

"The Chinese side sincerely hopes that the civil servants working in the various departments of the Hong Kong Government will rest assured and perform their duties, and will continue to render service for the Hong Kong SAR government and for the Hong Kong people after 1997," the spokesman said.

But in Hong Kong, the Deputy to the Governor, Anson Chan Fang On-sang, said civil servants did not need to declare whether they wanted to stay beyond 1997: She said both the Joint Declaration and the Basic Law made clear that civil servants could expect to remain in the service after 1997.

Mrs Chan said the Government stood ready "at any time" to discuss civil service matters with China and hoped the discussions would take place "sooner rather than later".

Secretary for Constitutional Affairs, Michael Sze Cho-cheung, said that if China chose not to discuss a "through-train" for the civil service, the Government could not force Beijing to do so.

However, he said the Government would not give up persuading China to enter into talks simply because of the statement by the Foreign Ministry.

"Consultation on the subject must be in the interest of Hong Kong," he said.

"Just as when we consult them, we don't necessarily have to accept their view. The final say rests with us. By the same token, the boot is on their foot. Even if they discuss with us, they don't have to accept what we say."

Notwithstanding the Foreign Ministry's statement, Mr Sze said his plan for preparing the new senior-level line-up would go ahead.

"If there is a vacancy, I will still have to fill the post. We will do our best to find the best person for the job," he said.

Recruiting Efforts Increase

HK0404065294 Hong Kong *SOUTH CHINA MORNING POST* in English 4 Apr 94 p 1

[By S.Y. Yue]

[Text] The Chinese Government has stepped up its efforts to find potential candidates to fill the principal positions in the first government of the Special Administrative Region (SAR). Headhunting by Xinhua (the New China News Agency), which represents the Beijing Government in the territory, began in earnest after the collapse of talks between Britain and China on Hong Kong's political development.

Xinhua has been inviting senior Chinese civil servants at and above the staff grade B (D3)—deputy secretaries and principal assistants—to dinner. It is known that former civil servants such as Wilfred Wong Ying-wai are acting as middlemen in arranging the meetings. Mr. Wong, who had served in the government for 17 years, resigned several years ago and is now the deputy chief executive of the K Wah Group. He has been acting as a Hong Kong Affairs Adviser to the Chinese Government.

Xinhua officials attending the dinner parties are said to be quite plain about their intentions, urging senior civil servants to prepare for the fact that they will no longer work for the British administration. One staff member said he felt humiliated when the Xinhua officials he met described his role as having "served the British Government" for all his years in the administration.

"When I joined the Government, I only considered it as a good and secure job. I have never considered myself as serving the British administration. I serve the Hong Kong people," he said. He said he and his colleagues were asked over dinner where their loyalty lay. The easy—and truthful—answer had been that they supported the Joint Declaration and the Basic Law, he said.

Under the Basic Law, the 22 principal officials should not have a foreign passport. Senior civil servants, however, are among those given passports under the British Nationality package as an inducement for them to stay with the Government.

During their dinners, Xinhua officials give civil servants the residential number of vice-director Mao Junnian and tell them to call if they have any "queries". It is understood that one of the "queries" is what to do about their British passports.

Another senior civil servant said he perceived the dinner meetings as a way for both sides to get to know each other. One of those who knew of the meetings but had not yet been invited said he did not need such people as Mr. Wong to give him the chance to prove himself capable of being promoted to senior positions.

"I have worked for the Government for more than 20 years. Isn't that track record sufficient to show my ability and potential? Why should I need somebody like him to arrange meetings with Xinhua officials? It is just ridiculous," he said.

Article Urges Democratic Election

HK0204062894 Hong Kong *HONGKONG STANDARD* in English 2 Apr 94 p 2

[Article from the "Opinion" page by Francis Lun, Hong Kong Democratic Foundation Central Committee member: "Selection Process for First SAR Chief Executive Lacks Credibility"]

[Text] The recent elevation of Mr Tsang Hin-chi, a local businessman, to the Standing Committee of China's National People's Congress gives us a glimpse of what we can expect in the post-1997 Hong Kong political arena.

The selection of Mr Tsang drew heavy criticism even from China's own-appointed Hong Kong people's deputies. Actually, Hong Kong deputies wanted to elect another person to the Standing Committee rather than Mr Tsang. The Chinese government chose to ignore the opinions of the Hong Kong deputies. If the Chinese now ride roughshod over the opinions of its own rubber stamp parliament, what hope is there that the Chinese government will even pretend to listen to the people of Hong Kong and respect Hong Kong's democratic institutions and the rule of law.

In a recent RTHK television program on the Basic Law, the host asked me what was the most important article in the Basic Law. I answered instinctively, that article 45 on the selection of the first SAR chief executive was by far the most important.

There are two reasons for this choice. One, under the existing Hong Kong political structure, all the powers of government are concentrated in the hands of the Governor. He is, in fact, a potential dictator with no effective constitutional checks and balances and does not have to

be responsible to anyone or any political organisation. The Executive Council is entirely appointed by the Governor.

The partly-elected Legislative Council has very limited powers. The Legislative Council can exercise some form of restraint on the government only through the finance committee. Otherwise, the Legislative Council is an advisory body in fact. Fortunately, the Governor has not resorted to dictatorial powers to govern Hong Kong, up to now.

On 1 July 1997, the existing dictatorial powers of the Governor will automatically pass to the first SAR Chief Executive. If the first chief executive was to be democratically elected, Hong Kong would have some control over the first chief executive. Unfortunately, under Appendix I of the Basic Law, the election of the first Chief Executive is by a very undemocratic process.

The first chief executive is to be selected by an election committee of 800 members, selected by the Chinese government through the Preparatory Committee. Out of the 800 members, 200 members are selected from the business and finance sector; 200 from the professional ranks; 200 from organised labour and social welfare groups, and 200 from Hong Kong's people's deputies to the NPC and local members of the Chinese People's Political Consultative Conference.

These 800 members will be selected by the Chinese government and not elected by the people of Hong Kong, directly or indirectly. In the first group, all businessmen for their own self-interests bend toward Beijing. In the second group of professionals, we can be sure that Martin Lee will not be among them. In the third group of labour leaders, we can be sure that Lau Chin-shek and Lee Cheuk-yan will not be among them. In the final group of rubber-stamp Chinese parliamentarians, even the so-called democrat Law Cheung-kwok, voted against his own democratic principles.

What credibility is there that the election committee will respect and reflect the wishes of Hong Kong people, and defend democracy and the rule of law in Hong Kong? From Mr Tsang's selection, we now have a pretty clear idea of what qualifications the first SAR Chief Executive must have to suit the Chinese government. First of all, he/she must be a business tycoon. Second, he must have enormous investments in China. Third, he must donate huge sums to the Chinese government. Fourth, he must be obedient to the dictates of the Chinese government.

Anyone can tell you that all tycoons are dictators because democracy does not exist in corporations. The Chinese government will get a dictator in line with their thinking. In fact, Mr Tsang got selected right after he donated \$100 million to the Chinese government. I believe maybe there is a better method of selecting the first chief executive.

Why don't we hold a public auction in June 1997, to see which tycoon will pay the highest price to be Hong Kong

SAR's first chief executive? The reward is enormous. The Hong Kong government's annual expenditure is now over \$170 billion. Including the exchange fund, retained earnings, Hong Kong's reserves by 1997 are likely to exceed \$400 billion. The Hong Kong government is one of the world's richest. Any person who can get his hands on this huge reserve can do a great many things. The temptation is just too great.

I often think of Hong Kong as a financial Bosnia, just waiting to be carved up in 1997. When the international community starts to take note of what is happening, I fear that Hong Kong will be like Bosnia now, with very little of anything left. The Tsang Hin-chi saga tells us that, like Bosnia, Hong Kong is just waiting to be pilfered, pillaged and carved-up. This scenario could be avoided if the chief executive was democratically-elected as provided by the Joint Declaration and accountable to the people of Hong Kong.

CPC Hong Kong Policy 'Increasingly Leftist'

HK1603033094 Hong Kong CHENG MING in Chinese
No 197, 1 Mar 94 pp 17-18

[Article by Fan Chun (5400 0689): "CPC's Hong Kong Policy Becomes Increasingly 'Leftist'"]

[Text]Jiang Zemin Faces Criticism From Veteran Cadres, Army Officials

"Even without an agreement with the British, we are capable of and confident amount maintaining Hong Kong's smooth transition."

"Hong Kong's economy will not be affected by politics."

These are the assurances given by Chinese officials to Hong Kong people on different occasions. When China and Britain suspended talks on Hong Kong's constitutional reform, however, Hong Kong's stock and real estate market remained brisk, presenting bright prospects.

However, the author heard something quite different in Beijing: "The central authorities have made a rightist mistake on the policy toward Hong Kong."

"We cannot barter away our principles."

"We should resolutely take over Hong Kong."

In the face of overbearing criticism from the top CPC levels, Jiang Zemin had to make some "clarifications."

While meeting with and feting veteran Army officials and cadres in Beijing in early February, Jiang Zemin explained the policies of the CPC Central Committee and answered their questions. For a long time, these veteran army officials and cadres had had misgivings about certain matters. Taking the rare opportunity of their meeting with the party general secretary, they sharply raised a wide range of questions, including Army

building, hegemonism, current social reality, understanding of Marxism, and Hong Kong's transition. Of these, the Hong Kong question was full of gunpowder. One person asked Jiang Zemin: "Did the CPC Central Committee commit a mistake of rightism in dealing with Britain over the question of Hong Kong? Did economic interests override state sovereignty and dignity?"

"Never Before Has the Policy Toward the British Hong Kong Government Been So Identical as Today"

In the face of the question that regarded "left" as "right," Jiang Zemin replied: "This criticism is not correct. We are fully prepared, as we had estimated the political and economic challenges deliberately made by Britain during Hong Kong's transition period. I hope the comrades present will rest assured. The CPC Central Committee will never make any compromise on questions of principle!"

Another person asked: "Is it true that the central departments do not have a unified policy in dealing with the Hong Kong question?"

Jiang Zemin raised his tone in the reply: "We can guarantee you that the Political Bureau of the CPC Central Committee, the State Council, and the Standing Committee of the National People's Congress [NPC] share identical views on the Hong Kong question." He especially quoted Deng Xiaoping's latest instruction: "Since the founding of the PRC, the policies of the CPC Central Committee regarding the British Hong Kong Government and the U.S. hegemonists' interference in China's internal affairs have never been so identical as today."

The Problem Can Be Resolved Easily When the British Side Has Further "Gone Off the Rails"

Regarding the question of Hong Kong's early recovery, Jiang Zemin also conducted "ideological work." Of course, he stood by some comrades who criticized Britain, saying: "As Britain has violated and undermined the Sino-British Joint Declaration; openly negated the agreements reached between the two governments; incited hostile forces in Hong Kong to launch anti-Chinese Government activities; and brazenly interfered in the Basic Law, which is purely an internal Chinese affair; comrades within the party, the Army, people's organizations, and basic levels have urged the central government to adopt resolute measures to recover Hong Kong at an early date. We have legal grounds for such a move, as well as the political environment, economic strength, and the backing of the 1.2 billion Chinese people." Jiang then gave an account of the central committee's policy: "However, a decision can be made only after judging the development and changes of events. We are fully prepared against the turbulence during the transition period and at the initial period of the establishment of the Special Administrative Region [SAR] Government. It is definite that the British colonialists will create trouble politically, economically, and socially. We should let the British colonialists fully

perform at the stage. Only when they have fully exposed themselves and have gone off the rails will it be easier to resolve the problem."

Jiang Zemin reiterated his position to the veteran Army officials and cadres: The Chinese Government and the Chinese people will never forget the base action of British perfidy; we will never forget British plunder, slaughter, and aggression against China during the Opium War, we will never forget the British support and participation in China's civil war; and we will never forget the British participation in the economic sanctions imposed against New China for over 30 years. I can assure you that after 1 July 1997, we will never allow the remnants of the British colonialists to remain, we will not allow the British colonialists to enjoy privileges, and we will never allow foreign forces to meddle in Hong Kong's affairs. The British authorities were informed long ago of our position and principled stand.

Li Peng Backs With Clear-Cut Stand the Leftist Line Pursued by the XINHUA Hong Kong Branch

Moreover, Premier Li Peng took the opportunity of his participation in the inauguration of the Daya Bay nuclear power station to brief relevant departments. In Shenzhen on the afternoon of 5 February, Li Peng listened to an account of Hong Kong given by Zhou Nan, director of XINHUA Hong Kong Branch. Present on the occasion were Zou Jiahua, Ding Guangeng, Xie Fei, Lu Ping, and Lie Minqiu.

News of the meeting was blacked out. While meeting with reporters, Zhou Nan refused to disclose that he had discussed the question of Hong Kong with Li Peng. He simply told the reporters to ask Li Peng.

It has been reported that Li Peng gave a five-point instruction at the meeting:

First, the central authorities have highly appraised the work of the State Council's Hong Kong and Macao Affairs Office and the XINHUA Hong Kong Branch, which have implemented the central policies in a comprehensive manner;

Second, the rule of the British colonialists will end on 30 June 1997; if any drastic changes take place during this period, the central government will take over Hong Kong earlier in light of the established principle and policies. This is China's national policy;

Third, the central government is capable of maintaining Hong Kong's economic prosperity following the establishment of the SAR Government on 1 July 1997 so that Hong Kong can continue to serve as an international financial, industrial and commercial, and transportation center;

Fourth, regarding the political, economic, and social troubles created by the British colonialists during the transition period in an attempt to sow the seeds of turmoil and confusion for the future, it is necessary to continue to heighten vigilance, expose the plot, and

adopt countermeasures to protect the interests of the vast number of Hong Kong compatriots; and

Fifth, under the principles and policies of the central government, it is necessary to continue to unite all Hong Kong figures who love the country and Hong Kong, and who are willing to take part in Hong Kong's construction, including foreign figures in Hong Kong who support the Basic Law and who are willing to contribute to Hong Kong's prosperity.

In his speech, Li Peng straightforwardly expressed his support for the XINHUA Hong Kong Branch, which was aimed at the criticism made by certain figures with foresight that the XINHUA Hong Kong Branch was taking an increasingly "leftist" line. This gives people much food for thought: Is it tantamount to bureaucrats' shielding one another or has the XINHUA Hong Kong Branch simply followed the line of Li Peng?

Assuming the Posture of "Political Examination" of Hong Kong Civil Servants

Zou Jiahua also delivered a speech. He made the following two main points: First, how should we deal with the British unilateral constitutional reform? Second, can the department-level civil servants take the through train? Zhou continued: "Without the blessing of the Chinese side, we will not recognize or undertake any responsibility for the political system, economic matters, and things introduced unilaterally by the British side which transcend 1 July 1997. All Hong Kong civil servants now in office may continue their service after 1997 and the conditions may be more preferential. However, there definitely will be changes in the department-level chiefs. The Chinese Government and the Chinese people will never recognize or accept the continued occupation of senior posts by British agents after 30 June 1997. The three-tier council elections introduced by Britain can last only until 30 June 1997.... How can the Chinese Government accept and inherit the elections introduced by the British colonialists after the change of sovereignty and administration?"

Following the breakdown of Sino-British talks, there are indications that Beijing is taking the highly efficient contingent of civil servants of the Hong Kong Government as the target of attack. Now they have openly assumed the posture of "political examination," and even have intimidated some senior-level civil servants, which is bound to exert an adverse influence. No wonder a conscientious senior-level cadre in Beijing said indignantly: "In this way, they are undermining the basic framework of the Hong Kong Government. How can the concept of Hong Kong people ruling Hong Kong be realized in a state of anxiety?"

Police Paper on Triad Societies Presented to Legislators

HK0104115194 Hong Kong *SOUTH CHINA MORNING POST* in English 1 Apr 94 pp 1, 4

[By Louis Ng]

[Text] The Sun Yee On is considered to be by far "the most prominent" gang among the 57 triad societies on the official police list.

In their first official detailed account of the existence of triads and their involvement in crime, the police ranking of most-active gangs put the Sun Yee On, part of the Chiu Chow group, ahead of the Wo groups and the 14K triad.

The 14K, which has 20 sub-groups, including the 14K Baai Lo, 14K Kim and others, was found to be the largest.

Other major gangs include the Wo group with 10 sub-groups, six Chiu Chow groups and four gangs under the Luen umbrella.

The police paper presented to legislators yesterday revealed that 10,842 crime cases between 1991 and the end of last year were triad-related. This equated to 301 cases per month or 10 a day.

Crimes either known or suspected to have been carried out by triads represented 4.2 per cent of the total number of crimes recorded in this period.

Of these, the most frequently committed offences were wounding and serious assault, blackmail and intimidation.

The triads were linked to 3,870 cases of being members of an unlawful society, 1,813 of blackmail and intimidation and 1,869 of wounding and serious assault.

Last year, a total of 3,487 cases were known or suspected to be triad-related compared with 4,015 in 1992.

The paper said triad societies perpetrated extortion in places such as wholesale fish and vegetable markets, public light bus terminuses, mahjong parlours, construction sites, and film and decoration industries.

It did not disclose police estimates of the total population of the triad gangs.

"Triad societies are secret fraternities and, as such, some particulars are difficult to ascertain with certainty," it said.

"This is especially so when it comes to estimating either the number of triads in Hong Kong, or the total number in any given triad society."

But a police triad expert told a District Court trial in January that the Sun Yee On alone was estimated to have a membership of up to 56,000.

The police warned there was an emerging trend among triads to veer away from illegal activities and use their money and influence in legitimate enterprises.

Many leading triad members were now part of Hong Kong's social scene.

"They have attained an air of respectability and some are consciously seeking a high social profile through regular contact with persons of importance in the community," the paper said.

It said a growing number of women were being admitted to triad societies, though men were still predominant.

There was also an evolution of more sophisticated triad members involved in white-collar crime.

Police said these were second-generation triads, who had received the best education with money generated through illegal means.

The police said it was imperative that the Organised and Serious Crimes Bill, which has been under consideration by the Legislative Council since July 1992, be enacted as soon as possible.

The paper said the bill could provide additional powers of investigation to counter organised crime including triads, as well as the authority to seize assets obtained through criminal activities.

The police listed the known triad societies at the end of 1993 as:

14K—20 factions: 14K Baai Lo, 14K Hau, 14K Kim, 14K Kin, 14K Lai, 14K Lun, 14K Mui, 14K Ngai, 14K Sai Kong, 14K Sai Shing Tong, 14K Sat, 14K Shing, 14K Shun, 14K Tai Huen, 14K Tak, 14K Tung, 14K Yan, 14K Yee, 14K Yee Shing Tong, 14K Yung.

Wo—12: Wo Hop To, Wo Kwan Lok, Wo Kwan Ying, Wo Lee Kwan, Wo Lee Wo, Wo On Lok, Wo Shing Tong, Wo Shing Wo, Wo Shing Yee, Wo Yee Tong, Wo Yung Yee, Wo Hung Shing.

Chiu Chow—6: Chiu Kwong Sh'e, Fuk Yee Hing, King Yee, Sun Yee On, Tai Ho Choi, Yee Kwan.

Luen - 5: Luen Fei Ying, Luen Hung Ying, Luen Shun Tong, Luen To Ying, Luen Ying Sh'e.

Tung—4: Luen Lok Tong, Luen Kung Lok, Tung Kwan Ying, Tung San Wo.

Tung (East)—3: Tung Luen Sh'e, Tung On, Tung On Wo.

Kwong—2: Kwong Hung, Kwong Luen Shing.

Ching—2: Ching Nin Sh'e, Ching Wat Sh'e.

Others: Chuen Yat Chi, Yuet Tong, Chuk Luen Bong.

Missing Cargo Ship Found Moored at PRC Naval Base

HK0204061894 Hong Kong SOUTH CHINA MORNING POST in English 2 Apr 94 p 1

[By Greg Torode]

[Text] The crew of a ship seized by armed boarders in Hong Kong waters are now trapped aboard while the vessel sits anchored outside a Chinese naval base in Zhuhai. The [Hong Kong] Government and the agents of the Tequila have had no official word on the fate of the Indonesian and Filipino crew members since the Taiwan-bound ship was taken while at anchor in the Tathong Channel a fortnight ago. And China is refusing to say where it is holding another ship seized just as it left Hong Kong waters last week on its way to South Korea.

The Post found the Tequila lying in restricted waters off Zhuhai this week, kept about 500 metres off shore from naval, Customs and Coast Guard gunboats. Local craft were prevented from approaching. One armed Customs vessel held on its stern two small unmarked jet boats, similar to descriptions of those used to intercept the Tequila. Zhuhai Port authorities said the 565-tonne vessel was under constant land and radar surveillance. Crew could be seen wandering about the decks of the ship, cleared of its cargo of 46 second-hand cars manifested in Hong Kong for Keelung.

Senior government sources said a series of requests by Hong Kong's Political Adviser's Office to counterparts in XINHUA (the New China News Agency) had gone unanswered, but Public Security Bureau officials had unofficially confirmed the ship's detention. They had, however, denied the Honduran-registered vessel was taken in Hong Kong, despite Marine Department radar print-outs proving the opposite. XINHUA has not responded to requests for further clarification, and it is understood a formal protest could be lodged next week.

"We are very concerned," one official close to the case said. "China seems uninterested in talking to us yet it does appear that (Chinese) officials were involved in Hong Kong waters, and we are giving them the chance to clarify the matter before lodging a protest."

Leung Kam-hung, managing director of agents Fitter Marine, said yesterday he was working with Zhuhai contacts but still had no word on exactly why the ship was taken, or by whom. He said he had no idea what was happening to his 14 crew members and added that no receipts had been issued by the Chinese for the cargo. "We just have no idea what is going on, no information at all," Mr Leung said.

Meanwhile, agents for the 3,566-tonne Shun Ping, seized off Waglan Island last Sunday (27 March), were yesterday summoned to Guangzhou with all documents relating to the ship. A spokesman for Dong Woo agencies—a prominent Hong Kong firm—said the company did not know with whom it would be dealing, where the ship was or why it was being held.

"All that we are being told is that the crew are safe and that it was seized on leaving Hong Kong because it was not flying its flag of registration, Panama," he said. "This is clearly nonsense, but it shows what we are up against."

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